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No. 28254 Thursday August 28 1980

NEWS SUMMARY

GENERAL

Channel ports blockade continues

Holidaymakers faced a continuing blockade of most Channel ports as the French Government stood firm in its policy towards the striking fishermen and union leaders refused to give in.

In Boulogne a counter-strike by lorry drivers and tradesmen stopped Hovercraft services, which were only operating at Calais. Dunkirk traffic returned to normal after a truce, while Le Havre was open but hit by a tug boat strike.

After renewed naval action, the oil terminals at Fos and Antifer were freed from the blockade, and the Government said it intended to keep open major commercial ports not involved in the dispute. Back Page

Cossiga backed

The Italian Government headed by Sig. Francesco Cossiga won a vote of confidence by 317 to 260 on its economic recovery programme, which is facing opposition delaying tactics.

Somalia 'invaded'

Ethiopian troops backed by fighter-bombers invaded north-west Somalia, Mogadishu Radio reported. It said the invasion had been halted and one jet shot down.

Missiles talks

The U.S. and Russia will probably hold preliminary talks next month on limited medium-range missiles in Europe following the recent Moscow approach. Page 4

Hope for ILEA

A Government inquiry is likely to show that disbanding the Inner London Education Authority, urged by leading Tories, would not be practical, although major reforms are needed. Page 6

Sea frauds cut

The number of suspected ship fraud cases in the Far East and Greece has declined following several successful prosecutions in the courts, reports the Salvage Association of London. Page 5

Murder charges

An unemployed man was charged in Brighton with murdering a second 11-year-old boy. He had already appeared after the death of another boy. Both crimes were allegedly committed on the man's birthday, August 16.

Police raid flat

A swoop by the anti-terrorist squad on a flat in Greenwich, south-east London, produced evidence that could be used against a man already in custody, Scotland Yard said.

New Israeli move

Israel has decided to build three more Jewish settlements on the occupied West Bank, a move likely to strain further its relations with the U.S. Page 3

£1,000 slimmer

Hilary Hardman won a £1,000 "slimmer of the year" award from Slimming magazine after shedding 72 lb from her 131 stone figure to save her marriage.

Briefly...

Lionheart, the British yacht, is out of the America's Cup after falling in its protest against the French contender France III.

A fire in which four children and their two mothers died in Bradford is being treated as murder.

Greece announced it will allow conscientious objectors to serve in non-combat military units.

Sweden has ruled that a young organizer who plays with his toes cannot become a church music director.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISBS	
Armitage-Shanks	107 + 4
Cement-Roadstone	57 + 4
Cope Spawtsworth	26 + 3
Federated Land	95 + 6
Gill and Duffus	172 + 3
Goldman (H)	19 + 2
ICI	360 + 4
Johnson Matthey	210 + 4
Kwik Save	127 + 4
Marchwell	88 + 4
Mountbatten	88 + 6
Anglo-Amer. Gold	£44 + 1
Bufors	£181 + 1
Bojurg Cons.	£30 + 3
West Driefontein	£381 + 1
FALLS	
Treas. 11/pe 1981	£451 - 1
(£50 pd.)	

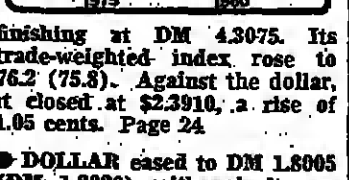
Excheq. 12pc 99-02	5891 - 1
Blue Circle	366 - 4
Empire Stores	160 - 4
Fisons	230 - 5
Freemans (London)	124 - 4
GEC	494 - 6
Harris Queensway	160 - 6
Hoover A	128 - 7
Metal Box	288 - 8
Pearl Assurance	428 - 8
Royal Wools	320 - 10
Tate and Lyle	144 - 3
Tomatin	112 - 6
Turner and Newall	208 - 7
Victor Products	442 - 18
Aran Energy	442 - 17
Nickelore	404 - 7
RCM	140 - 10
Western Mining	298 - 12

BUSINESS

Sterling passes FFr 10 level

STERLING reached its highest level against the French franc for more than five years, closing at FFr 10.61, and against the D-mark for four years.

STERLING reached its highest level against the French franc for more than five years, closing at FFr 10.61, and against the D-mark for four years.



finishing at DM 4.3075. Its trade-weighted index rose to 76.2 (75.3). Against the dollar, it closed at \$2.3910, a rise of 1.05 cents. Page 24

DOLLAR eased to DM 1.6005 (DM 1.5920), although it was firmer against the yen at ¥219.65 (¥219.20). Its index was unchanged at 64.3. Page 24

GILTS made two attempts to rally, but both were short-lived. The FT Government Securities index fell 0.47 to 68.25. Page 30

EQUITIES were also uncertain. The FT 30-share index extended its fall to close 4.3 down at 491.5. Page 30

WALL STREET was down 6.65 at 946.76 near the close. Page 25

MANUFACTURERS Hanover and Chemical Bank were among U.S. banks which raised their prime rates to 11 1/2 per cent, following Chase Manhattan's lead on Tuesday.

MODEST U.S. economic recovery is likely to be accompanied by high inflation and unemployment, says the OECD. Back Page

ENGINEERING workers are seeking pay increases of about 20 per cent. Back Page

BRITISH Petroleum has gone into partnership with Norwegian shipbuilder Aker to provide a turnkey service for developing marginal offshore oil fields. Page 6

LEGISLATION for control of a gas distributor has been introduced by the South Australian Government. Page 23

GOVERNMENT is to keep a 50 per cent stake in British Aerospace, Industry Minister Adam Butler said. FT conference report Page 6

EUROPEAN Airbus is being considered as a replacement for RAF transport aircraft. Back Page

COMPANIES

GOTLAAS LARSEN, the shipping company, reports a second-quarter net loss of \$9.7m (\$4m) against profits of \$4.1m. Page 21

WEST GERMAN chemical company Bayer reports a 14.4 per cent drop in second-quarter profits to DM 231m (£53.6m). Page 22

JOHNSON MATTHEY and Co., precious metal refiner, banker and chemical manufacturer, boosted first-quarter pre-tax profits by \$4.56m to \$10.22m. Page 18

ASSOCIATED Dairies, the supermarket group, lifted pre-tax profits to \$49.98m (\$41m) in the 53 weeks to May 3. Page 18; Lex, Back Page

LADBROKE Group's first-half taxable surplus fell back to £14.07m (£16.68m), despite a 61 per cent increase in non-casino business profits. Page 18; Lex, Back Page

Jobless figures rise sharply as redundancies reach record and vacancies fall

Unemployment tops 2m as recession deepens

BY PETER RIDDELL, ECONOMIC CORRESPONDENT

UNEMPLOYMENT IS rising much more rapidly than expected after a dramatic acceleration during the summer as the recession has deepened and spread out across the economy.

Total unemployment in the UK has jumped to just over 2m for the first time in 45 years following a rise of 105,000 in the last month. This is in spite of a drop of nearly 31,000 in the number of school leavers out of work since mid-July. The total is officially expected to remain above 2m for the rest of the year.

The marked change in the state of the labour market this year was underlined yesterday by new Employment Department figures showing a sharp fall in employment in the service as well as the manufacturing sector, by a record level of redundancies and by a continuing fall in notified vacancies.

The most worrying sign is the deterioration in the underlying position after deducting school leavers and after adjusting for seasonal variations.

Adult unemployment in the UK rose by a record 89,900 in the month to mid-August to 1.696m, seasonally adjusted.

This is equivalent to 7 per cent of the total workforce.

The rate of monthly increase has accelerated to an average of 70,600 between June and August. This compares with less than 40,000 earlier this year and is much larger than in 1974-75. Nearly half the 434,000 rise in the last year

Two million jobless—the widening gap and Editorial Comment, Page 16

Economic Viewpoint, Page 17

Redfern Glass redundancies, Page 6

Strikes total a record low, Page 7

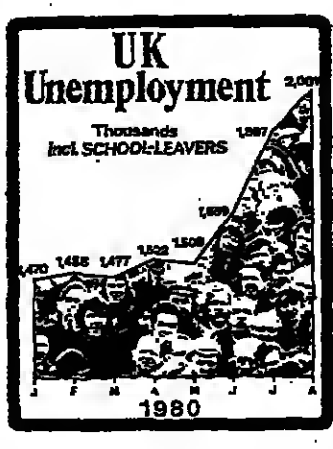
ICI to axe 600 jobs, Back Page

has occurred in the last three months.

Unemployment is clearly rising more rapidly than expected. The Great Britain total of 1.62m is already higher than the average figure of 1.6m assumed for the whole of 1980.

1981 in the last public expenditure White Paper. This is likely to boost both spending on social security benefits and an already high level of public sector borrowing.

In spite of yesterday's "sound and fury" there are no signs in Whitehall of even an



The cuts have also been reflected in a drop in notified vacancies—down 5,600 on a seasonally adjusted basis in the month to mid-August to 120,400, or less than half the figure of a year ago.

These figures are in turn a reflection of falling employment. Manufacturing employment is dropping by 50,000 a month for a total fall of over 350,000 in the year to June.

But, unlike the last recession, employment in service industries is also falling.

Thatcher says policy is right

BY RICHARD EVANS AND CHRISTIAN TYLER

THE PRIME MINISTER refused to offer any policy concessions to angry Labour and union leaders yesterday after publication of figures that ensure unemployment will dominate political debate for the foreseeable future.

Mrs. Thatcher's immediate response to the highest jobless totals for nearly 50 years was uncompromising: "There will be no change in the Government's policies because they are right," she declared during a visit to Cambridge.

The 2m unemployment total, coming only days before the annual Trades Union Congress, has handed the unions a stick with which to belabour the Government. It will help to intensify the programme of demonstrations and rallies planned by the TUC as part of its propaganda campaign to turn public opinion against current policies.

Mr. Len Murray, TUC general secretary, said: "Two million people on the scrapheap of unemployment is two million too many. The Government's only reaction is to blame anybody but themselves. That is just not good enough for the 2m unemployed, or for Britain. We need action, and fast, to tackle unemployment as the number one priority."

But the CBI, echoing the Government's own comment, blamed lack of efficiency and over-large wage rises unmatched by productivity improvements.

There are indications of Government unease at the scale of the increase in unemployment. But the hope is that the trough of the recession will be reached around the end of the year, and prospects for jobs will then improve.

Meanwhile Mr. James Prior, Employment Secretary is preparing a package of measures aimed primarily at relieving unemployment among the young and at retraining. While this will have only a marginal impact, the belief is that it could help psychologically.

Two factors remain unclear and either could determine the Government's future course of action: the attitude of the so-called wets in the Cabinet to the scale of unemployment, and the response of public opinion to the deterioration in job prospects.

Mrs. Thatcher, commenting on the figures, said the country had to face reality. The only way to succeed was by making good products, good design and good delivery.

One of the reasons for the sharp increase in unemployment in her view was that last year

Polish negotiator fails to resume strike talks

BY CHRISTOPHER BOBINSKI IN GDANSK

THE CHIEF Polish Government negotiator yesterday unexpectedly failed to return from a Warsaw meeting with the country's Communist leaders to resume talks with strikers in the Baltic port of Gdansk.

This added to the uncertainty in the crucial shipyard talks although experts from both sides did meet in Gdansk to discuss strikers' demands for independent trade unions and other political reforms.

Mr. Lech Walesa, a strike leader, told shipyard workers the talks were "below our expectations" and added that there was still a gap between the two sides.

It was not clear whether the non-appearance at the meeting of Mr. Mieczyslaw Jagielski, a Deputy Premier who headed the negotiating team, meant a toughening in the government's determination to end the strikes.

Mr. Jagielski had travelled to Warsaw on Tuesday for a hurried briefing with Mr. Edward Gierek, Communist Party leader, and the Party's ruling Politburo.

Industrial unrest spread further during the day with more workers stopping work in the central city of Lodz and Wolow, close to the Silesian coal-mining region.

The workers want independent unions alongside the official trade union structure and have rejected as insufficient Mr. Gierek's offer of free trade union elections.

The Soviet Union, meanwhile, in a report by the official Tass news agency, has criticised "anti-Soviet elements" in Poland who, it said, were trying to divert the country from Socialism.

After yesterday's talks Mr. Walesa said the Government side was modifying its position and that the talks would continue.

The experts committee was set up on Tuesday after a plenary session of the talks with Mr. Jagielski revealed that the strikers regarded the independent trade union issue as the most important.

It is thought in Gdansk that the local authorities understand the need to settle the trade union issue on the strikers' terms. The local Party first secretary also went to the plenary meeting in Warsaw to argue the case for agreement.

David Buchan adds from Washington: Poland has asked the U.S. for an extra \$120m credit next year to help finance food purchases from the U.S.

The rise in meat prices was a catalyst in the labour disturbances in Poland, and U.S. officials are aware that granting an increase in export credits from \$550m this year to \$670m next year would go some way to easing the predicament of the Gierek government.

Russian reaction, Page 2

Floods hit Soviet agriculture, Page 2

Massey in talks on state aid

BY OUR FOREIGN STAFF

MASSEY - FERGUSON, the Toronto-based farm equipment manufacturer, is talking to the Canadian Federal Government on possible state equity participation in the company.

The company, which owns the Perkins Engine Group in the UK, has turned to Ottawa in an effort to overcome its financial difficulties. Under consideration is Government participation in Massey's proposed C\$500m (£182m) share issue.

Confirmation that wide-ranging talks have taken place in Ottawa over the past several weeks came yesterday from both Massey and Mr. Herbert Gray, Canada's Industry Minister.

The question of an aid package for the debt-ridden company was also raised at a meeting of the Federal Cabinet's economic development committee earlier this week.

A Government purchase of stock and, therefore, Government part-ownership of the troubled company would be unprecedented, though the Government has in the past taken over companies entirely.

Alternative forms of assistance might involve direct loans, loan guarantees or participation by one of several federally-controlled organisations.

Mr. Peter Lowry, general corporate affairs manager for Massey Ferguson, confirmed that there was "no single plan or proposal." The company is expected to report on progress in its talks early next month.

Massey's latest report shows bank debt totalling C\$959m and long-term debt of C\$598m. Last year it announced plans to seek new equity of C\$300m to C\$500m, a target subsequently revised to the upper end of that range.

Massey also reported a 91 per cent drop in net income to \$32m in the first six months of the year, having suffered from a downturn in the farm machinery market.

Earlier this summer the company was forced to lay off 5,000 Canadian workers for three months. Over the past two years about 20,000 workers have been laid off worldwide, and the company has sold several subsidiaries in Europe and Latin America.

Massey's controlling shareholder, Argus Corporation, which is in turn owned by the Black family of Toronto, has undertaken to invest further in the company if any new financing package can be organised.

The Canada Development Corporation, a large holding company owned by the Federal Government with public participation, is known to have considered the theoretical possibility of participating in a new financing package for Massey. But it is not known what the price for a Government rescue would be and whether the Black group would be willing to surrender control.

The possibility of Ottawa taking control is felt to be small at the moment. But Massey is a major employer in the key province of Ontario, which was vital in the return of the Trudeau Government to power earlier this year.

£ in New York

	Aug. 25	Previous
Spot	62.820-33.50	62.560-56.00
1 month	1.55-1.50 dis	1.47-1.41 dis
3 months	2.90-2.85 dis	3.08-3.03 dis
12 months	6.40-6.30 dis	6.75-6.69 dis

Blue Circle interim up 66%

BY MICHAEL CASSELL

BLUE CIRCLE INDUSTRIES yesterday announced a 66 per cent increase in interim profits and plans for a £47m rights issue to help finance a UK plant modernisation programme.

Pre-tax profits for the six months to the end of June rose from £20.6m to £34.2m on turnover up from £228.3m to £303.6m. Even so, Blue Circle shares closed down 4p at 366p.

Sir Rowland Wright, chairman of Blue Circle, also said the group intended to revive its bid for Armitage Shanks, the sanitary ware manufacturers, if it was given clearance by an impending report from the Monopolies Commission.

Sir Rowland said the £33m bid, which lapsed in March this year when the Office of Fair Trading intervened, was "in the waste paper basket" and any new approach would be on a fresh basis. Blue Circle has almost 15 per cent of the Armitage Shanks equity.

The terms of the rights issue, which has been underwritten by Baring Brothers, offer one ordinary share for every five ordinary shares already held. The new stock will not attract the 5p interim dividend payable for the current year. A final dividend of 10p is recommended.

Sir Rowland said the issue was intended to finance a modernisation programme following the group's major rationalisation of UK cement manufacturing facilities in the 1960s and 1970s. This had led to increased efficiency and substantial energy savings but a further phase of renewal was "essential."

Blue Circle, which has a cement-producing capacity of between 10.5m and 11m tonnes a year in the UK, expects capital expenditure on manufacturing plant to reach about £35m in the current financial year. This is now likely to rise as high as £55m in 1981, a total which in turn could be raised by 50 per cent over the following two years.

The capital expenditure plan is thought to include proposals for a new cement works with a possible capacity of 1m tonnes a year and which could cost as much as £75-£80m. Further substantial expenditure is also likely at the group's new North-East works in Kent.

Sir Rowland said domestic cement sales in the first half of the year had kept up well in spite of the construction recession but he warned that the remainder of 1980 would be hit by the fall in UK demand and by the full impact of higher fuel and labour costs. He would not make any forecasts about the final results.

Blue Circle's overseas operations made a £19.2m pre-tax contribution to group profits in the first six months and progress is expected to be satisfactory for the remainder of the year. The group is taking a 26 per cent stake in a new 1m tonne a year cement plant in Indonesia, representing an £8m investment.

Details, Page 20

Lex, Back Page

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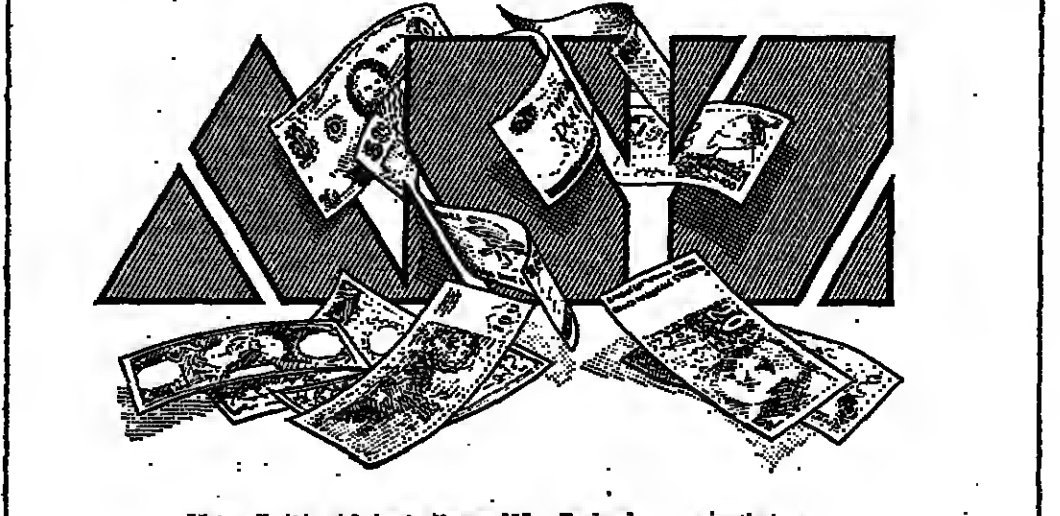
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EUROPEAN NEWS

W. GERMANY'S WORKER-MANAGERS

Strauss steals a march in row on board parity

BY JONATHAN CARR IN BONN

WEST GERMANY'S dispute over co-determination in the steel industry has entered another round, amid signs that it is forcing changes in the traditional party landscape only five weeks before the general election.

When trade union representatives sat down again yesterday to argue their case with management they were able to count on far-reaching support from an unusual quarter—the political opposition in Bonn.

The Government coalition Social Democrat and Free Democrat partners continue to squabble over co-determination. But the opposition Christian Democrats and Christian Social Union are threatening to outflank them.

The architect of the new move is the Opposition's candidate for the chancellorship, Herr Franz Josef Strauss, who has brought most doubts in the CDU-CSU round to his view.

At issue is whether the Manneberg concern, through reorganisation of its pipes and steel divisions, will be able to escape strict parity representation for capital and labour on the supervisory boards of companies in the coal and steel industry. Labour-management negotiations have so far yielded no accord.

Herr Strauss and the CDU-CSU have now thrown their weight behind a compromise which would give labour at least part of what it is asking. They propose that a company should only be permitted to escape the parity rule when less than 30 per cent of its turnover comes from steel and coal. At present the limit is 50 per cent.

Meanwhile the Social Democrats, mindful of their traditionally close links with labour, have considered bringing in a parliamentary Bill which would prevent Manneberg escaping the parity regulations. It has been opposed so far by the Federal Democrats who hold that a law of 1976, which does



Herr Wehner: a matter of timing.

not guarantee parity, is better suited to the needs of the modern German economy.

There has also been argument between Chancellor Helmut Schmidt and the powerful Social Democratic parliamentary party, Herr Herhorst Wehner, over the wisdom of trying to bring in a special Bill so close to an election. While Herr Wehner would have liked to go ahead, Herr Schmidt wanted to put the lid on the dispute for the time being.

One danger for the Federal Democrats is that the CDU-CSU and the Social Democrats may find themselves with enough common ground on co-determination to take parliamentary action together. That could force a split in the governing alliance which has ruled in Bonn for nearly 11 years.

Another possibility is that the Social Democrats may see some of their traditional support among labour weakened by the CDU-CSU move. While opinion polls give the Government coalition a lead, the support at present, it is not an unassailable one.

Schmidt renews his commitment to West

BY OUR BONN CORRESPONDENT

CHANCELLOR Helmut Schmidt has ruled out any effort by West Germany to play a neutral role between East and West, stressing that this would endanger security and could gain no majority support.

In a newspaper article, Herr Schmidt said he knew that a few of West Germany's partners and neighbours had some doubts about Bonn's position on this issue and that this doubt was misused for domestic political purposes by the German opposition.

But he stressed that a balance in Europe could only be maintained so long as West Germany belonged to the Western alliance, that Germans to both East and West knew that, and that they were willing to pay a high price for it, namely the temporary continuation of the division of Germany.

Herr Schmidt's remarks, in next Sunday's edition of the weekly *Deutsches Allgemeines Sonntagsblatt*, come at a time

when, with the general election five weeks away, Bonn's foreign policy is coming under redoubled attack from the opposition.

Opposition politicians have pointed to the result of a recent opinion poll which indicated that while 52 per cent of the population favoured continued strong ties with the U.S., more than 40 per cent preferred a course between the two super-powers.

In comments yesterday, the opposition's candidate for Chancellor, Herr Franz Josef Strauss, said that for the future of West Germany, the Western alliance, that Germans to both East and West knew that, and that they were willing to pay a high price for it, namely the temporary continuation of the division of Germany.

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David Satter reports from Moscow on the Kremlin's lack of options

Russia keeping its hands off Poland

POLAND WOULD need to descend into chaos and near civil war before the Soviet Union felt compelled to intervene.

Trouble in Poland has historically been associated with a weakening of the Russian empire. If the Soviet press has given pro-forma endorsement to changes in the Polish political structure unthinkable 10 years ago, it was because, under present circumstances, the Soviet leadership may have had little choice.

The extreme sensitivity of the Polish strikes and the threat they pose to the whole Socialist bloc, were emphasised by the Soviet decision to jam Russian-language broadcasts by the BBC, the Voice of America and Deutsche Welle, and by the almost total silence in the Soviet press about Poland which prevailed until Monday.

Workers emulating the Polish model could undermine the Communist Party dictatorship in every East European Socialist country, and the decision to allow the changes proposed by Mr. Edward Giersek, the Polish party leader, which include free elections to the government trade union, was a major Soviet concession.

To have refused to compromise with the strikers would have carried over graver risks for the Soviet leaders than those presented by liberalisation.

The Soviet Union is in no position to launch an invasion in Europe. It is badly straitened by the resistance in Afghanistan and the prospect of worsening relations with the West.

The East European allies are independent of the Kremlin only to the extent that they are able to resist its wishes. If Poland were allowed to become as free and pluralistic as Yugoslavia, thereby exerting a strong attraction for people in other Socialist bloc countries, it would be because the Russians knew that, if they invaded, the Poles would be ready to fight.

The Soviet decision to invade a satellite state depends not only on the threat of ideological contamination from fundamental democratic reforms, but also on the military and political risk.

The Soviet leaders had little to lose when they ordered the invasion of Czechoslovakia in 1968. Detente and the development of economic and trade ties with the West had not begun. The Soviet Union was not militarily engaged elsewhere, whereas the U.S. was bogged down in Vietnam, and Czechoslovakia, with a population of only 15m, would clearly not resist.

Poland today is far different. Popular animosity towards Russians has deep roots, and

the Soviet Union has tried not to interfere in Poland as long as Communist Party rule was not threatened. In 1956, when Mr. Wladyslaw Gomulka came to power, backed by popular riots, Mr. Nikita Khrushchev, the Soviet Premier, was taken by surprise and immediately flew to Warsaw without informing Polish border guards.

The invasion of Czechoslovakia required 600,000 troops, 500,000 of them drawn from the Soviet Union itself, even though there was no significant Czechoslovak resistance. An invasion of Poland, through which run vital supply and communication lines between Russia and Soviet forces in East Germany, would require at least a million men. In the face of the expected intense resistance from the Polish Army, such an invasion would arouse little enthusiasm among more liberal Warsaw Pact members.

Since the invasion of Afghanistan, the Soviet leaders have, with remarkable skill, managed to maintain their ties with West Germany and France. These ties, and the access to Western technology which have flowed from them, have become more important to the Soviet leadership as the U.S.-Soviet relationship has come under strain.

An invasion of Poland, and a long struggle to subdue it, would probably ensure Mr.

Ronald Reagan's election as President of the United States and mark the start of an uncontrolled arms race. By alienating Western Europe, it would threaten the credit and trade position of the entire Socialist bloc, thereby confirming a new cold war. It would also provoke a drop in the Soviet standard of living which could in turn lead to the first widespread labour unrest in the Soviet Union itself.

It was probably with this in mind that the Soviet leaders decided to back Mr. Giersek, tacitly endorsing his proposals by reporting them in some detail in the controlled Press, even though the mention of political reforms being forced on a Communist government by "social dissatisfaction" made astonishing reading for Soviet citizens.

Even if the Polish strikers accepted Mr. Giersek's proposals for free elections to the government unions, rather than holding out for the establishment of independent unions, the party's power could be seriously reduced. Poland would then have a degree of political pluralism which does not exist in any other Warsaw Pact country. Under the circumstances, now and tighter restrictions on contacts between Polish and Soviet citizens would be inevitable. The Soviet leadership can



Striking workers at the Lenin shipyard in Danzig beneath a sign showing the Soviet and Polish flags side by side.

probably live with these changes provided that Poland's essential allegiance to the Socialist bloc is not called into question and that no opening is created whereby the party could lose overall control.

The Soviet Union's policy towards its allies is dictated by the expediences of maintaining control over a vast and diverse empire. As long as Communist regimes keep power, these expediences can change.

Interest ban ended by Swiss

By John Wicks in Zurich

SWITZERLAND has announced the scrapping of its final measure aimed at warding off foreign money. From Sunday, interest will again be payable on all Swiss franc foreign accounts held with Swiss banks.

February and March, the interest ban on foreign Swiss franc holdings was eased so as to apply only to sight deposits and to time deposits of less than three months. Restrictions on forward Swiss franc sales by foreigners had first been eased and then removed.

The Swiss National Bank and the Finance Ministry said yesterday that the last limitation on foreign accounts had been lifted because the Swiss economy was no longer disturbed or threatened by an excessive influx of funds from abroad.

AP reports from Bern: Israel's proclamation of a united Jerusalem as its eternal capital has led to delay in the signing of a social security agreement with Switzerland.

A Government spokesman said after the weekly Cabinet meeting yesterday that the signing could not take place in west Jerusalem as planned.

Officials said Switzerland would be ready to sign the agreement without delay if the Israeli Government would accept Bern or Tel Aviv as the signing site.

Trade gap worsens for Cyprus

By Our Nicosia Correspondent

CYPRUS'S trade gap showed a serious deterioration during the first half of this year, according to figures just published.

Imports in the first six months of 1980 rose to C£222.7m (£266.4m), while exports stood at only C£92.6m (£111.1m). The figures for the comparable period last year were C£162m and C£82.7m respectively.

Imports from Britain reached C£1.6m (C£28.5m last year), while exports reached C£23m (C£24.8m).

Trade with the European Community countries, in general, was unfavourable for the island (Imports C£94.7m and exports C£28.6m), but trade with Arab countries was evenly balanced, at around C£33m each side. Imports from Arab countries included a bill of C£26m for oil imports, from Iraq.

Soviet agriculture hard hit by floods

BY LESLIE COLTIT IN WEST BERLIN

WIDESPREAD damage has been caused to agriculture in the western Soviet republic of Byelorussia, bordering Poland, after hurricane-force storms and heavy rains followed by flooding. The region is an important meat producer and considerable loss of livestock is reported.

The district of Brest was the worst hit, with flooding in the city centre as well. High tension power lines were reported to have been brought down. Trees were uprooted and blocked some roads. Damage to buildings was also said to have been substantial.

Rescue teams are trying to save stranded cattle. And 100,000 city dwellers have been ordered to the countryside to

save as much of the waterlogged harvest as possible.

The same region was affected by flooding last year. There have been extremely heavy rains and flooding in eastern Europe this summer and more than 2m acres in Poland alone have been under water. Grain-growing parts of the Ukraine were also struck by torrential rains causing major rivers to flood.

Reuters reports from New York: U.S. dockers decided yesterday to refuse to handle cargoes to and from Poland immediately, the decision was announced by Mr. Thomas Gleason, president of the International Longshoremen's Association. The boycott is expected to disrupt valuable grain shipments to Poland.

The action, planned as a demonstration of solidarity with the striking Polish workers, was announced last week but was delayed until international labour unions in Europe were notified, Mr. Gleason said. He said that those unions had since sent letters of support to the Polish strikers.

The 110,000-member union represents dockers at ports from Maine to Texas. Mr. Gleason said the workers would finish whatever had been started on the one Polish ship working in New York and after that no Polish cargo would go on any ships.

Asked how long the boycott would continue, he said: "We'll play it by ear."

Reuters reports from Bonn:

Heart-searching by Dutch over Jerusalem

BY MICHAEL VAN OS IN AMSTERDAM

SHORTLY BEFORE the Dutch Government announced on Monday that it was moving its embassy in Israel from Jerusalem to Tel Aviv, a Dutch newspaper said that such a decision would mean the end of the Netherlands' self-proclaimed moral leadership of the Western world.

But the decision has also damaged the sensitive special relationship between the Netherlands and Israel, although the Dutch are already trying to patch it up again.

Most Dutch parliamentary leaders have accepted that the Netherlands had little choice after the Security Council recommendation that embassies be moved and in view of mounting Arab pressures. A former Foreign Minister, Mr. Max van der Stoep, of the opposition

Labour Party, who had rejected the embassy move, now points out that the Netherlands has sought to disavow its "stone-hearted Israeli stance on Jerusalem and the stone-hearted demand from the Arab side."

Although, he said, the Security Council's recommendation on Jerusalem was the prime reason for the Government's decision, "honesty obliges me to say that the Arab demands and the possible consequences (of not agreeing to them) have also been a factor."

Mr. Gijb van Aardenne, the Economics Minister, minced his words even less. He pointed out that Dutch trade with the Arab countries was considerable, that negotiations were likely with those countries for a number of very large contracts, and that it was not

certain that the Netherlands' partners in the International Energy Agency would help the country if oil supplies were restricted, as a result of its maintaining an embassy in Jerusalem.

The Minister stressed that Saudi Arabia and Iraq—two very important trading partners—had threatened sanctions and he recalled that of the 36m tonnes of oil imported from the Middle East in 1979, those two countries accounted for over 20m tonnes.

Dutch exports to the Arab world totalled Fl 4bn (£859m) in 1979, the Minister said. There was little doubt that his message coincided with the views of the leaders of Dutch business and industry which have been hit hard by the world economic downturn.

Navarre fears Basque terror campaign

BY ROBERT GRAHAM IN MADRID

THE HEADLINE military wing of ETA, the Basque separatist organisation, has claimed responsibility for the assassination attempt last Friday on Sr. Jose Javier Uranga, editor of the *Diario de Navarra*.

Sr. Uranga, who was yesterday out of danger, was fired on at point-blank range by two youths.

The claim has raised fears that ETA has initiated a terror campaign aimed specifically at Navarre province, one of the four regarded as historically within the Basque region.

In the formulation of the Basque autonomy statute in

July 1979, Navarre was not directly included, reflecting opposition by Conservative Catholic elements in Navarre to the idea of integration with the provinces of Alava, Guipuzcoa and Vizcaya.

It also reflected the complex individual historical heritage of the province which had achieved under Franco a greater degree of autonomy, especially in fiscal matters, than other Spanish regions.

The problem of Navarre was put to one side on the understanding that the matter be decided according to a referendum vote.

However, the terms of the constitution are sufficiently vague for the Madrid government, which has supported the Conservative elements in Navarre, to drag its heels. But pressure is growing for an early referendum.

The other three provinces want Navarre incorporated as soon as possible into the Basque autonomous region. It is against this background that ETA has chosen to step in. Previously it has confined its actions largely to Guipuzcoa and Vizcaya.

The newspaper is the most influential in the province, and

has been critical of Basque nationalism and any link with the Basque autonomous region.

At the same time, the political military wing of ETA has itself begun to be more active in Navarre. It claimed responsibility last week for two grenade attacks on civil guard establishments in the province and issued a statement saying that a referendum had to be imposed on Navarre by "force of arms."

The authorities are concerned that attempts to foment trouble in Navarre could thrive on the already sharp polarisation of the province.

Danish call for change in N Sea hydrocarbon terms

BY OUR COPENHAGEN CORRESPONDENT

DENMARK'S Social Democrats will press for a change in the terms for exploiting hydrocarbon deposits in the Danish sector of the North Sea, threatening them into line with terms in the Norwegian and British sectors.

The executive of the ruling party will put a resolution to this effect to the party congress in September. The executive has rejected a call from some party branches for nationalisation of North Sea resources.

But Mr. Preben Steen Nielsen, Social Democratic chairman of the Folketing energy committee was quoted yesterday as saying that if the concession holder does not agree to changes in the terms, nationalisation was a possibility.

The AP Moeller shipping and industrial group has a 50-year exclusive concession signed in 1962. It carries an 81 per cent royalty and in addition corporate income tax at the standard rate of 40 per cent.

Companies with concessions in the Norwegian and British sectors must pay 80-85 per cent in tax on North Sea revenues. Moeller exercises its concession together with Shell, Texaco and Chevron in the Danish Undergrowth Consortium.

Denmark's second-quarter current account deficit increased to Kr 3.1bn (£23.4m) from Kr 2.9bn (£21.2m) in the same quarter last year, but was an improvement on the Kr 6.4bn first-quarter deficit.

However, the second-quarter deficit was affected by changes in Customs registration pro-

cedures for imports which brought the figure down by about Kr 1.2bn.

The 1.2bn deficit of Kr 10.7bn compares with a figure last year of Kr 8.3bn and an annual deficit of Kr 15.4bn. The Government has forecast a deficit this year of Kr 18.1bn, or almost 5 per cent of gross domestic product.

Hourly wage costs in Danish industry rose by 12 per cent in the 12 months to May, according to the official index.

These institutions have already made major loans to Turkey this year and Mr. Ozal's trip to London was mainly to request the rescheduling of refinancing of many debts which have already been rolled over once. The banks' initial reaction is that they will strongly resist the Turkish request.

The decision to open discussions with the banks was announced in an interview yesterday by Mr. Turgut Ozal, the Under-Secretary to the Turkish Prime Minister responsible for co-ordinating economic policy.

He said that he would be raising the issue with representatives of the banks when he

visited Washington at the end of next month for the annual meetings of the International Monetary Fund and the World Bank.

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Turkey to seek rescheduling of \$3bn lent last year

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

TURKEY is next month to ask Western banks to ease the terms under which they lent it over \$3bn a year ago. In an attempt to launch the final stage of what is already the largest rescheduling of debts ever to be carried out, Turkey will request the rescheduling of refinancing of many debts which have already been rolled over once. The banks' initial reaction is that they will strongly resist the Turkish request.

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TURKEY'S FINANCING REQUIREMENTS

	1979	1980	1981
Deficit on trade and invisibles	671	1,800	1,850
Interest on debt*	1,100	1,540	1,470
Repayment of debt*	760	1,070	1,200
Total	2,531	4,410	4,720

* Excludes debt relief

Source: IMF estimates and forecasts, June 4, 1980

with Saudi Arabia on Saturday reflect outside concern at the need for stability in Turkey. Mr. Ozal, too, argues that economic recovery will help in the battle against the "infection" or anarchic terror which is causing about 200 deaths each month.

Mr. Ozal is hoping that both the IMF and Western Governments will back his requests to

مكتبة المجلد

Army strong man is new South Korean president

BY CHARLES SMITH IN SEOUL

SOUTH KOREA'S former military strong man, Gen. Chun Doo-hwan (retired) took over as civilian president of the country yesterday after the formal election by the National Council for Unification.

Gen. Chun, who has exercised effective control of the Government since early this year, resigned from the army last week in order to become eligible for the presidency.

His election was by the 2,540-member council in accordance with the provisions of the Yushin Constitution under which the late President Park Chung-hee held office. President Park was assassinated last October.

A new constitution is expected to be introduced later this year providing for a more liberal election procedure, but Mr. Chun appears certain to be returned to office again under the new system.

Barring unexpected upheavals he should therefore be in power for the next seven to eight years.

In a statement the general showed he would not tolerate dissent in South Korea. He called for unity and the elimination of elements impeding the nation's interest and progress.

Gen. Chun became prominent last December when an internal putsch within the Korean army gave power to a group of officers who favoured the continuation of an authoritarian system of government for Korea rather than the Western-style democracy mooted after President Park's assassination.

In May he became chairman of the Standing Committee for



Gen. Chun Doo-hwan salutes at a ceremony to mark his retirement.

National Security Measures (SCNSM), a kind of parallel government which increasingly overshadowed Korea's civilian administration until Mr. Choi Kyu-Hah, stepped down earlier this month.

During the gap between Mr. Choi's resignation and yesterday's election, former Prime Minister Park Choon-hoong held office as acting President.

Mr. Chun, aged 49, is a former chief of the Army's internal security service and a strong believer in the need for discipline in public life. As Chairman of the SCNSM, he masterminded a series of purges of reputedly corrupt bureaucrats and politicians.

President Chun's first task in office will be to determine the

state of Mr. Kim Dae-Jung, the opposition politician who is on trial for his life for allegedly attempting to overthrow the Government during the students' uprising of last May.

Mr. Kim, though undoubtedly innocent of the charges against him, is seen as a potential focus of opposition to the regime and therefore as a threat to the nation's stability. The Government would probably like to have him executed but may be deterred by pressures from the U.S. and Japan.

President Chun's next task will be to consider measures to stimulate the Korean economy—which contracted by 4 per cent during the first half of 1980 despite continuing rapid

Michael Holman, recently in Nairobi, reports on a gathering economic crisis in Africa

East Africa becoming a no-growth area

TREASURES AND planning departments all over East Africa are hoisting warning flags which their political masters cannot ignore. Economic growth in the early 1980s will be negligible or even negative, with profound repercussions for governments. Real incomes will fall, there will be fewer jobs and school places, and social services will deteriorate.

The message, underlined in the recently published World Bank report for 1980, comes as the area is facing its most serious food shortage for decades. Tensions in the region are considerable.

The plight crosses ideological boundaries. From broadly capitalist Malawi, whose average growth in the 1970s was 6.7 per cent, comes the forecast in this year's economic survey that "there will be no growth in the economy during 1980". In socialist Zambia, the Minister of Finance, during the January budget speech, told his countrymen of a "long and difficult journey ahead."

But the message is perhaps most starkly spelt out in a White Paper published by one of Africa's most stable and successful governments—Kenya.

"We must face squarely the fact that the coming years, and the next two years in particular, will be a time of austerity during which there will be slower growth of the economy, less employment creation and more limited social services than were envisaged," the paper warns.

It is not as if these states ended the 1970s without severe problems. All have to cope with an already considerable pool of unemployed. Zambia, for example, had 366,000 wage earners in 1971, and that figure probably does not exceed 370,000 today. The 30,000 school leavers who come into the job market each year are clearly not being absorbed.

Kenya, where the 3.9 per

cent annual population growth level was set at 100 in 1970), to 76.1 in 1979.

One main reason was the rising cost of fuel. Prof. Kighoma Malima, Tanzania's Minister of State for Planning and Economic Affairs, calculates that oil imports took 10 per cent of Tanzania's export earnings in 1972. "But in 1980 a reduced quantity of oil imports will account for about 45 per cent of export earnings." Kenya needed the equivalent of some 60 per cent of its main export, coffee, to pay for petroleum imports in 1973. By 1979 that percentage had doubled.

The net result has been growing balance-of-payments difficulties in the region, and the consequent need for assistance from the International Monetary Fund and the World Bank. But the terms, particularly of the former, are often bitterly resented.

When 40 policy makers and economists from developing countries met in the northern Tanzanian town of Arusha earlier this year they concluded their four-day conference with an outspoken attack on the Fund, describing its policies as a "menace."

Yet a few weeks later the

host country, wracked by mounting arrears for import payments, exhausted foreign reserves and a 1979-80 balance-of-payments deficit estimated at over £200m, finally concluded what had been acrimonious negotiations with the Fund for an SDR 300m (£110m) programme over the next two years.

Not all East Africa's problems can be blamed on external factors. Government policies, inadequate in either conception or application, play a major part. The villagisation programme in Tanzania, while bringing benefits in education and social services, has contributed to a fall in the cashew crop from 126,000 tons in 1972 to 69,000 tons in 1978, while coffee production is below 1972 levels. Zambian tobacco production is below pre-independence levels, and the state-owned National Agricultural Marketing Board is widely recognised as a grossly inefficient, massively subsidised obstacle to progress.

While the case for regional co-operation has never been stronger, regional tensions militate against this. Kenya remains

acutely nervous about Somalia's claims to the northern chunk of its territory. And Kenya and Tanzania—whose common border has been closed since 1977—are at loggerheads over Uganda, with the former suspecting a plot concocted by President Julius Nyerere to reinstate former President Milton Obote and spread the Socialist doctrine in East Africa.

Meanwhile, Tanzania's harbour called opponents of Dr. Hastings Banda, whose cool relations with Mozambique (dating back to his pro-Portuguese line during Mozambique's war for independence) were not improved by the ageing President's admission of responsibility for a parcel bomb which blew off the arms of a Malawi opposition leader.

What should have been a showpiece of regional co-operation—the Tanzania-Zambia railway—has turned out so inefficient that Zambia has been forced to use the route through the south.

The combination of austerity and policy shortcomings add up to a severe test of these countries' political institutions. Whatever their ideological difference, all the heads of state, ranging from the autocratic Dr. Banda to the articulate spokesman for the Third World, Dr. Nyerere, share a belief in one-party systems of government under which rival organisations are banned.

This leaves few safety valves, and as the economic screws tighten it would seem that internal dissent must increase.



Israel plans six more settlements

BY DAVID LENNON IN TEL AVIV

ISRAEL HAS decided to build six more Jewish settlements on the occupied West Bank, a move which is likely to increase further the strain in relations with the U.S.

It is also likely to hamper American efforts to persuade Egypt to resume negotiations over the future of the West Bank and Gaza Strip.

Mr. Sol Linowitz, the special U.S. envoy to the autonomy talks, is due in Israel on Sunday at the start of a mission aimed at reopening the talks.

Egypt suspended the negotiations in May and refused to restart them despite American

mediation attempts because of its objections to Israeli settlement policy and the recently approved Jerusalem law. Cairo says these actions are for closing the options for Palestinian autonomy.

President Anwar Sadat of Egypt has indicated that he thinks there is little chance of making any progress on autonomy before the U.S. presidential elections.

The cabinet decided on building the settlements at a secret session on Sunday, according to the Jerusalem Post, newspaper which says the Professor Yigael Yadin, the deputy prime min-

ister, intends appealing against the plan for the three of the settlements.

Israel has delivered very strong protests to Washington over the American abstention during last week's UN Security Council vote to condemn the new Israeli law proclaiming all of Jerusalem the nation's capital.

AP reports from Beirut: Arab Interior Ministers, concerned about mounting instability in the Gulf, are meeting in Saudi Arabia to discuss ways of tightening control over their own people.

Japan plans to increase oil stockpile

TOKYO—Japan announced yesterday it is taking advantage of a world glut of oil to build up its stocks as a cushion against possible future shortages.

The Japanese import nearly 90 per cent of their total energy needs and are vulnerable to interruptions of oil supplies. Consumer stockpiling is, however, criticised by the Organisation of Petroleum Exporting Countries.

Mr. Rukusuke Tanaka, Japanese International Trade Minister, told a news conference yesterday that the Government plans to push its own oil stockpile up to 30m kilolitres (190m barrels) from the present 5.24m kilolitres (33m barrels).

He said this would take advantage of the current glut and boost Government stocks from seven to 40 days normal use. Combined with refinery stocks, Japan's total reserve would be nearly 150 days.

Japanese International Trade Minister Tanaka did not specify over what period the build-up would take place, but two to three years is likely.

Even if stocks reach the target, Mr. Tanaka said, Japan would still be behind countries like West Germany. Renter

BASE LENDING RATES

A.B.N. Bank	16%	Hambros Bank	16%
Allied Irish Bank	16%	Hill Samuel	16%
American Express BK.	16%	C. Hoare & Co.	16%
Amro Bank	16%	Hongkong & Shanghai	16%
Henry Ansbacher	16%	Industrial Bk. of Scot.	16%
A.P. Bank Ltd.	16%	Keyser Ullmann	16%
Arbuthnot Latham	16%	Knowsley & Co. Ltd.	16%
Associates Cap. Corp.	16%	Langris Trust Ltd.	16%
Banco de Bilbao	16%	Lloyds Bank	16%
Bank of Credit & Comm.	16%	Edward Hanson & Co.	16%
Bank of Cyprus	16%	Midland Bank	16%
Bank of N.S.W.	16%	Samuel Montagu	16%
Banque Belge Ltd.	16%	Morgan Grenfell	16%
Banque du Rhone et de la Tamise S.A.	16%	National Westminster	16%
Barclays Bank	16%	Norwich General Trust	16%
Bremar Holdings Ltd.	16%	P. S. Refson & Co.	16%
Brit. Bank of Mid. East	16%	Rossminster	16%
Brown Shipley	16%	Ryl. Bk. Canada	16%
Canada Perm't Trust	16%	Schlesinger Limited	16%
Cayzer Ltd.	16%	E. S. Schwab	16%
Cedar Holdings	16%	Security Trust Co. Ltd.	16%
Charterhouse Japhet	16%	Standard Chartered	16%
Choulatons	16%	Trade Dev. Bank	16%
C. E. Coates	16%	Trustee Savings Bank	16%
Consolidated Credits	16%	Twentieth Century Bk.	16%
Co-operative Bank	16%	United Bank of Kuwait	16%
Cornthian Secs.	16%	Whiteaway Laidlaw	16%
The Cyprus Popular Bk.	16%	Williams & Glyn's	16%
Duncan Lawrie	16%	Winttrust Secs. Ltd.	16%
Eagle Trust	16%	Yorkshire Bank	16%
E. T. Trust Limited	15 1/2%		
First Nat. Fin. Corp.	19%		
First Nat. Secs. Ltd.	19%		
Robert Fraser	16%		
Anthony Gibbs	16%		
Grindlays Bank	16%		
Guinness Mabon	16%		

NOTICE OF REDEMPTION

To the Holders of

Icelandic Aluminium Company Limited

6 3/4% Secured Bonds Due October 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Agreement dated as of October 1, 1967 under which the above described Bonds were issued, \$1,229,000 principal amount of said Bonds have been selected for redemption on October 1, 1980, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "A" as follows:

Outstanding Bonds bearing serial numbers ending in any of the following two digits:

00	05	14	26	31	32	38	56	60	68	79	83	96
03	12	21	30	35	37	42	58	67	70	80	91	

On October 1, 1980, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company in Brussels, Frankfurt (Main), London or Paris, or Bank Mess & Hope N.V. in Amsterdam, or Kredietbank S.A. Luxembourg in Luxembourg, or Credito Romagnolo S.p.A. in Milan. Payment at the offices referred to in (b) above will be made by a check drawn on, or by a transfer to, a dollar account maintained with a bank in The City of New York. Coupons due October 1, 1980, should be detached and collected in the usual manner.

On and after October 1, 1980, interest shall cease to accrue on the Bonds herein designated for redemption.

ICELANDIC ALUMINIUM COMPANY LIMITED

Dated: August 21, 1980

Clogs: Can you get too big for them?

... billion worth of business last year...
... any standard...
... we're big...
... normally this would be a cause for concern...
... some of the other international giants of our industry. But we didn't panic...
... We surveyed our customers in France, Germany, Britain and, of course, in the Netherlands. We discussed it quietly with our many friends in America and China and in the rest of the Far East. In

fact, in 37 countries in all...
... They all agreed. It's our style of doing business that gets them. You know, the sort of thing you get from the local corner shop. A bit of chat about world affairs. Decent prices that they know they can afford...
... and then still come back for more. After all that research it turns out that our customers did £3.2 billion of business with us because we're not too big for our clogs.



DSM chemicals and plastics

For more information, contact DSM P.O. Box 65, Herpen, The Netherlands.

AMERICAN NEWS

EUROPEAN NUCLEAR REDUCTION

Missile talks 'expected soon'

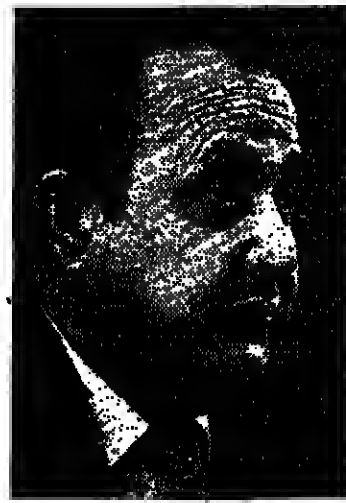
BY DAVID BUCHAN IN WASHINGTON

A PRELIMINARY discussion on reducing medium range nuclear missiles based in Europe may come next month when Mr. Andre Gromyko, his Soviet counterpart, during the United Nations sessions in New York.

This emerged from a meeting Mr. Muskie held here late on Tuesday with Herr Haas Dietrich Genscher, the West German Foreign Minister, after which they issued a statement saying that a first exchange between the U.S. and the Soviet Union is "expected to occur at an early date."

They rejected the Soviet complaint that the West was dragging its feet on the issue, expressed in a letter by President Leonid Brezhnev to NATO governments last Friday.

But it was clear that various factors, including the U.S. and West German tensions over Afghanistan, worry over Poland and concern about the attitudes of smaller NATO countries,



Herr Genscher... rejected Soviet complaint.

made Western leaders reluctant to rush into negotiations.

NATO originally proposed future negotiations to limit tactical nuclear missiles in Europe last December, when it decided first to go ahead and deploy

U.S.-made Cruise and Pershing missiles in Western Europe.

The NATO offer was made to win over wavering Western governments to the view that a decision to deploy the Cruise and Pershing missiles by 1983 could be used as a bargaining counter to pressure the Kremlin into mutual nuclear weapon reductions in the future.

Nothing that NATO was delaying and following up its own negotiations offer, Mr. Brezhnev reiterated in his recent letter Soviet willingness to begin discussions.

"I don't really think 'slow' characterises our approach to this problem. We have to consult with our allies, we have to make technical preparations," Mr. Muskie said after his meeting with Herr Genscher.

There has been some resistance from the U.S. Defence Department and specialists on the National Security Council, to an early start in negotiating what are called "theatre nuclear forces," officials here say.



Mr. Muskie... September meeting possible.

More important, the administration is wary that negotiations in the next few months could be politically embarrassing while Mr. Ronald Reagan is on the campaign warpath, calling for increased defence spending.

Auto workers help close ranks behind Carter

BY OUR WASHINGTON CORRESPONDENT

THE CLOSING of traditional Democratic ranks behind President Carter has taken a further step with his endorsement by the executive board of the United Auto Workers, the country's second largest trade union, with 1.4m members.

Mr. Doug Fraser, the UAW's president and a hitherto prime labour backer of Senator Edward Kennedy, said his union's board now "very enthusiastically" supported the President against Mr. Ronald Reagan, the Republican challenger.

But Mr. Fraser admitted Mr. Reagan has made inroads

among his rank and file membership, and this week the Republican Party announced a \$4.3m television advertising blitz aimed at the blue collar vote. Their existing adverts carry such lines as "If Democrats are good for working people, how come so many people aren't working?"

In his economic package to be announced today, Mr. Carter is expected to ask Congress to extend unemployment benefits from 39 weeks to 52 weeks for laid-off workers. He will also submit tax-cutting plans to be submitted to Congress next year.

But yesterday, Mr. Al Ullman,

chairman of the House Ways and Means Committee, said his committee will start drafting tax cut legislation this year, if the Senate passes a Bill. The House's delay on tax reductions so far has pleased the White House.

Addressing the Teamsters, the one U.S. trade union where he can draw fairly wide support, Mr. Reagan yesterday switched his attack on Mr. Carter to the economic field, calling Administration policies "bankrupt" and leading to "the Carter depression."

The Republican challenger, who in the last major opinion

polls still held a narrow lead, is most anxious to switch attention from his gaffe in claiming U.S. ties with Taiwan could be made "official" without endangering relations with China itself.

The Carter Administration yesterday renewed its attack on Mr. Reagan from an unusual quarter, its envoy in Peking, Mr. Leonard Woodcock, who also happens to be a former UAW president. Mr. Woodcock called his first ever on-the-record Press conference in Peking to criticise the Reagan policy as endangering "the carefully crafted relationship between China and the U.S."

Canadian newspapers close down

TORONTO — Daily newspapers in Winnipeg and Ottawa were closed yesterday as Canada's two largest newspaper groups consolidated their holdings and tried to cut some of their losing operations.

The Winnipeg Tribune and the Ottawa Journal were shut down. Thomson Newspapers also announced that it had sold its interests in Pacific Press of Vancouver and in Gazette-Montreal to Southern Inc. for what was described as an aggregate purchase price of \$57.25m (£20.7m).

Employees of the Tribune, a Southern paper, were told at a newsroom meeting of the closure at the same time that the Thomson announcement was being distributed.

The newspaper's losses between 1975 and 1979 were more than \$21m, and the expected 1980 loss was \$3m. In Ottawa, 375 employees of the Journal were thrown out of work with Thomson's closure of the capital's morning daily, ending 94 years of publication.

Mr. Arthur Wood, publisher of the Journal, said in a front page statement in the final edition that the newspaper's losses had increased significantly over the past five years to \$11.1m.

Despite high improvements and circulation increases since last year, when it switched from evening to morning publication, losses had risen to over \$3.4m in the first eight months of this year.

The announcement meant that competition between the two newspaper groups has ended in Vancouver, Winnipeg and Ottawa. Yesterday's closures follow the collapse of the Star in Montreal 11 months ago, leaving the English-language market there to Southern's Gazette. International Thomson results, Page 21

India calls U.S. decision on duties 'an unfriendly act'

BY K. K. SHARMA IN NEW DELHI

ALREADY fragile political relations between India and the U.S. are seriously threatened by Washington's decision not to apply the GATT agreement on subsidies and countervailing duties to Indian exports.

India's Commerce Minister, Mr. Praab Mukherjee, has called the decision an "unfriendly act" and the Government is expected to make its displeasure over the U.S. decision known publicly.

The result of the U.S. decision is that Indian exports of such items as leather goods, some iron castings and a range of textiles will be subject to countervailing duties ranging from 2.5 per cent to 20 per cent. These exports are estimated to be worth about \$400m or about 40 per cent of the total exports to the U.S.

Commerce Ministry officials say that many Indian manufacturing units are threatened with closure as a result. Washington is biting back at India's refusal to undertake to phase out "subsidies" on the items. India argues that the "cash compen-

satory support" given to exporters merely pays back to them taxes and excise duties on their exports.

Indian officials suspect that the U.S. has political motives for the decision, which has not been applied to any other Third World country. It has meant invoking a clause in the agreement which requires a signatory to inform GATT that it will not be enforced in the case of a particular country because it is considered to be "unfriendly."

Under the GATT agreement, the U.S. would have to show that its domestic industry was being harmed by Indian "subsidies" to be able to impose countervailing duties. This "injury test" is no longer necessary.

What has led Indian officials to attribute political motives to the U.S. decision is the fact that the agreement is being applied to Pakistan which operates a similar export subsidies scheme. Officials say that no other developed country has sought to exempt India from the application of the GATT agreement.

Japan motor output tops 1m units in July

TOKYO — Japanese motor vehicle production in July exceeded the 1m mark for the first time, aided by active export sales, the Japan automobile manufacturers association (JAMA) said.

The July total production rose 6.3 per cent to a record 1,044,000 from the previous monthly high of 978,574 in June, and up 23.5 per cent from 841,680 a year earlier, the association said.

The July total comprised 665,735 passenger cars, up 23.7 per cent from a year earlier, 365,513 trucks, up 22.4 per cent, and 3,222 buses, up 71.8 per cent, the association said.

JAMA attributed the high-level production to active export sales in July. These are estimated to have risen about 40 per cent over a year ago.

Japan's International Trade and Industry Minister Rokusuke Tanaka said on Wednesday the Government had no plans to clamp controls on auto exports "to soothe strained trade relations with the U.S."

Tanaka told a press conference that "Japan supports a policy of free and open markets," and that imposing restrictions on auto exports might have the effect of arousing protectionist moves against other Japanese export industries.

"Our trade with the U.S. is immense and multifaceted. It would be strange if there were not frequent areas of trade friction," he said.

However, the trade minister cautioned that "if Japanese industry is to survive, it should avoid flooding exports into any one place." Japan must carefully consider its position as a member of the international community in determining economic policy, he said.

In the past few months MITI has asked Toyota, Nissan and other Japanese automakers to show "self-restraint" in their exports to the U.S., but has ruled against taking measures to curtail the export flow. About one-fourth of the autos being sold in the U.S. today are Japanese.

Tanaka predicted that the next area of trade friction with the U.S. would be in the electronics and "integrated circuit" industry. MITI will take a positive stance toward providing financial assistance for research and development in this field, he said. Agencies

Migrants set to bring in \$17bn for home states

BY DAVID DODWELL

MORE THAN 20m migrant workers, most of them from South Asia, the Middle East and Southern Europe, will repatriate an estimated \$17.5bn (£7.3bn) this year, according to the World Bank.

There has been controversy over the net benefits to developing countries when skilled people emigrate. The bank notes in its third annual World Development Report, just published, "The brain drain represents a serious loss of manpower for some countries, and there are social costs as well."

About 60 per cent of migrant workers—most of them male and many working illegally—come from developing countries. About 6m have found their way to the U.S., with 5m in Western Europe and 3m in the Middle East.

Remittances, which have swol-

len from \$3bn to \$17.5bn over the past decade, are particularly important as a source of foreign exchange in Pakistan, Bangladesh, India, Jordan, Egypt, Morocco, the two Yemens, Turkey, Greece and Yugoslavia.

An estimated \$3bn will be remitted to South Asia this year, with \$5bn finding its way to the Middle East and North Africa, and a further \$7bn to Southern Europe.

The World Bank argues that objections to migration, on the grounds that it depletes the tiny skilled labour forces in poor countries, thus hampering their development, are greatly exaggerated, mainly because most migrant workers are unskilled or at best semi-skilled.

For them, the bank says, "migration offers a chance of dramatic improvement in their often meagre incomes."

Lambsdorff warns against 'protectionism quagmire'

BY PAUL CHEESERIGHT IN BERLIN

COUNT OTTO LAMBSDORFF, the West German Minister of Economics, yesterday shrugged off local demands for controls on the imports of consumer electronic products, saying: "This would be the first step into the quagmire of protectionism."

In a speech clearly designed to check moves towards protectionism in the EEC, he also said he was apprehensive of French Government plans to seek protection of the European motor industry, against Japanese imports.

Classifying import restrictions as pointless, he noted that both Italy and the UK had limited car imports. The result had been mass redundancies at Fiat and financial failure at BL, he said. But he called "grotesque" the situation last year, when

Japan exported 1.5m cars and imported only 65,000. He cited problems with electronics and car imports at the opening of the eighteenth Overseas Import Fair in Berlin. The fair is a European shop window for the consumer goods of 57 developing countries.

Count Lambsdorff sought to convince developing countries of both West Germany's goodwill and its favourable record in absorbing their imports.

But in his plea for greater co-operation between the industrialised world and developing countries, he urged Third World nations to participate actively in the General Agreement of Tariffs and Trade (GATT) and to accept the result of the latest round of multilateral negotiations.

Soviet orders for Norway

THREE of the nine Norwegian companies currently participating in a fisheries fair in Leningrad have booked orders from Soviet buyers. Shurad, a Norwegian electronics company, has won a contract worth Nkr 15m (£1.3m) for navigating gear and sonar equipment for Soviet fishing vessels. Another concern, Hydrosilk Brattvaag, has sold trawler winches, while Trilo Maskinindustri has secured orders for several packing machines for the fish-processing industry.

Norwegian exports to the Soviet Union totalled Nkr 278m in the first half of 1980—40 per cent up on a year earlier—while imports were down one to lower oil purchases. If the trend continues, Norway should have a surplus on its trade with the Soviet Union this year, after two years in deficit.

Cruzeiro devalued by 1.89%

By Rik Turner in Sao Paulo

BRAZIL HAS devalued the cruzeiro for the 13th time this year. The measure, announced on August 26, devalued the cruzeiro by 1.89 per cent, bringing its value against the dollar to Cr55.845 buying and Cr55.845 sale.

So far this year, Brazil has devalued her currency by a total of 21.3 per cent, slightly less than the 33.7 per cent for the first eight months of 1979.

Since the Government has recently revised its 1980 ceiling for devaluation from 40 to 50 per cent, a further 14.23 per cent remains for the rest of the year, or 3.5 per cent per month.

The faster rate of devaluation still does not meet demands from Brazil's exporters for devaluation to at least match inflation, which at the end of July stood at 107 per cent over July 1979.

Pay curb vote

Some 4,000 steel workers at Kaiser Steel's plant here yesterday voted to cancel a portion of their pay rises to keep the plant from closing down, Renter reports. The workers agreed to defer a \$1 an hour increase and to tie future rises to the inflation rate—a voluntary move recommended by local leaders of United Steelworkers Union.

LEVESQUE PLANS QUEBEC POLL

Separatism taking one step back

BY ROBERT GIBBENS IN MONTREAL

THE POLITICAL pace is gathering again in Quebec: Mr. Rene Levesque, the Parti Quebecois Premier who lost the referendum on sovereignty in May, intends to dissolve the National Assembly by the spring, and may do so as early as October.

In May, the electorate voted by a three-to-two majority against giving Mr. Levesque authority to try to negotiate sovereignty for Quebec, although in economic association with Canada. Mr. Levesque can hardly drop the concept of sovereignty-association which he himself devised in the political wilderness more than 10 years ago. But he has suggested that it should not be an issue in the election, when it comes.

Instead, the Parti Quebecois should take its stand on "good government," the slogan with which it crushed Mr. Robert Bourassa's Liberal Government in 1976.

At that time, an English winner-take-all electoral system gave the Parti Quebecois 69 assembly seats in return for 41 per cent of the vote. The Liberals, with 34 per cent, had to make do with 28 seats, and the Union Nationale, once the greatest political power in the province, came a poor third with 18 per cent and 11 seats.

A return to the "good government" slogan would be a step backwards in the strategy of *etapisme* (etap means "stage") with which Mr. Levesque's party hoped to make Quebec sovereign stage by stage. Stage one was the election of 1976. The referendum was to be stage two.



Mr. Claude Ryan: his party's standing is enhanced.



Mr. Rene Levesque: taking a soft approach.

but went wrong.

As further evidence of Mr. Levesque's "soft" approach, he has hinted that he would consider making modest changes to the major piece of legislation passed during his premiership: the Charter of the French Language, designed to give French primacy over English in Quebec's administration and business. About four out of five Quebecers are French-speakers.

The "good government" slogan is not only the untested intellectual abilities of Mr. Levesque's Cabinet, but also by

Quebec's better-than-expected economic performance during the current North American recession.

Mr. Jacques Parizeau, the Minister of Finance, can claim some of the credit, after his stimulatory tax cuts.

But so can the federal Canadian Government, with protective measures for textiles and footwear, prominent industries in Quebec. Moreover, a little fortuitously, Quebec does not have much of a motor industry, and has therefore been spared some of the troubles which beset neighbouring Ontario.

Mr. Parizeau, like Mr.

Levesque, has been taking his stand on good government as the issue for an election, and the two do appear to have the party in hand. In the longer run, however, Mr. Parizeau is more strongly committed to independence than Mr. Levesque is.

Some crossfire has come from a dedicated advocate of independence, Mr. Pierre Bourgault, who told Mr. Levesque he should resign after having lost the referendum by putting a soft question. Instead of asking voters outright whether they wanted sovereignty, Mr. Levesque, no doubt with an eye on the silly season for the newspapers, brushed Mr. Bourgault off as a kind of "Loch Ness monster."

Bourgault's intervention will not help the Parti Quebecois in the election, when it comes, because whatever Mr. Levesque may say, sovereignty or independence is likely to be the real issue as it was not in 1976. Then the Liberal Party of Quebec had lost all public respect after a series of scandals and strikes. Its standing now, under Mr. Claude Ryan's leadership, is greatly enhanced.

The referendum result has given Mr. Ryan the opportunity to point to the paradox of a crypto-independentist Government representing Quebec in the constitutional talks intended to lead to a renewal of the Canadian federation. But it is as well to remember that if Mr. Ryan becomes Premier, he, too, will stand up for the rights of Quebec against the centralising policy of Ottawa.

Portuguese tourism boom leaves Spain trade in the shade

BY JIMMY BURNS IN LISBON AND FRANK GRAY, RECENTLY IN PALMA

PORTUGUESE tourist receipts last year soared by a record 59 per cent against an average 3 per cent increase in most other European countries. There are signs that the striking contrast will be repeated this year as the performance of Portuguese tourism has already outstripped the more optimistic forecasts.

Between January and June Portugal recorded 2.6m entries, an increase of 56.2 per cent over 1979. Spain accounted for 69 per cent of visitors to Portugal, followed by the UK (8 per cent), West Germany (4 per cent), and the U.S., France and The Netherlands (2 per cent each).

According to official Government forecasts, there will be a slowdown in the second half of this year in line with international trends. Nevertheless, the most conservative estimate is that Portuguese tourism will experience 25.1 per cent growth this year, a figure which is still well above the sluggish performance predicted for most of Europe.

Slow growth particularly noticeable in neighbouring Spain which, in the first six months, reported an 11 per cent drop in overall tourism with a further 18 per cent fall for the month of June, usually a month when tourism is beginning to climb to summer peaks.

The latest statistics show the extent to which Portuguese

tourism has recovered from the battering of the 1974 revolution, when worker occupations plunged Portugal's tourist industry to its lowest ever ebb.

Today tourism is one of the few sectors of the economy that has managed to go from strength to strength despite the constant shifts of Government.

The emphasis has been on promotion and on a carefully controlled pattern of dramatic increase in visitors.

Compared with Spain, Portugal has managed surprisingly well to strike a balance between the need to preserve a steady growth in visitors while at the same time keeping the qualities that attracted them in the first place.

"We are aware that tourism can kill tourism," says Sr. Antonio Marques, a leading official from the Portuguese State Tourist Board. In Spain it is not so much terrorism that has frightened off tourists in recent years but the senseless overpricing, overcrowding, and filth created by poor planning and speculation on growth at the expense of almost all else, officials say.

Ever since the industry in Portugal took off in the early 1960s, growth has been tempered by careful planning unrivalled in most European countries. Legislation has been perfected over the years to



Bathers flock to the beach at Estoril, Portugal.

protect the environment and ensure that new investments are channelled into orderly and aesthetically pleasing construction.

Nearly 60 per cent of visitors are from Spain, largely because the Portuguese sun and sea

gives them more value for money than they receive at home.

While entries from the U.S. were down 15.2 per cent in the January-June period, the volume from the UK and West German visitors grew by 20.8 per cent

and 3.1 per cent respectively.

But there are problems. Portuguese tourist officials are aware they face an uphill struggle in maintaining growth while at the same time keeping standards high. Already along Lisbon's popular Estoril beaches

this summer tourists have begun to take advantage of the country's uncharacteristically lax camping legislation. Tents are spilling onto the main coastal road without any apparent control.

In the Algarve, tour operators for the second consecutive year have been harassed by clients claiming that infrastructure is insufficient. This month Four Star hotels suffered water shortages and electricity cuts, and restaurants ran out of food.

The optimistic picture in Portugal contrasts sharply with the Balearics, the one region of Spain that is more dependent on tourism than any other, accounting, as it does, for some 15 per cent of all Spanish tourism.

Last year, for example, the Balearics, mainly Mallorca, handled a record 3.8m tourists, a sharp recovery from the days of 1974 when tourism fell to 3.1m visitors from 3.5m the previous year.

The Fomento de Turismo de Mallorca—the Mallorca Tourism Board—reports that German and British tourists far outnumbered other national groups visiting the Balearics. Last year, 782,492 German tourists came to Mallorca, an 8 per cent rise from the year before, while British tourists numbered 738,969, also up 8 per cent. Mainland Spaniards numbered 401,131, up 4.5 per cent, while those from France were 288,751,

up 2 per cent. Mallorca, in fact, takes the lion's share of all tourism, handling 3,025,923 tourists last year, compared with 1,670,005 for Ibiza, 1,877,579 for Menorca and 29,249 for Formentera.

But this year's decline appears to be widespread, with German tourism off by more than 10 per cent. British tourism also is down, but only by 3.4 per cent, according to British consular officials in Palma.

In other sectors, the decline has been more widespread. The number of Swiss visitors fell by 51 per cent to 76,543 last year from 156,568 the previous year with a further decline forecast by the Swiss consulate this year. The North American market, which tumbled to 40,258 last year from 69,391 the year before, is

undergoing a further decline in 1980.

But while the overall economic malaise is cited as the chief problem, other factors are the opening up of the U.S. to European mass travel and the decline in standards, such as crowded beaches, pollution and general untidiness.

This last factor was noted recently by Sr. Pedro Morey, a Tourism Board official in Palma, who said a new image for tourism was needed in Mallorca.

"This is not to suggest that we eliminate the beach, the sun and our recreations, but that we show the tourist other aspects of the island by telling him about the 'little-known places' and introduce him to a different world. This would be the beginning of a new approach to tourism."

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مكتبة النظم

Charges of theft follow 'big losses' by Dawson

By Andrew Fisher

THE FORMER manager of a rare book shop in London's Pall Mall has been charged with theft and false accounting after heavy losses suffered by William Dawson (Holdings), the shop's owner.

Dawson, an unquoted company based in Kent, said yesterday that the losses were about £525,000, while a further £200,000 of transactions, already included in previous accounts as profits will probably have to be withdrawn.

The Metropolitan Police Fraud Squad has investigated the allegedly fraudulent dealings, which were said to have taken place both in the UK and abroad, including the U.S., Italy and Holland, said Mr. Guy Kravenbrink, the chairman of Dawson.

The police said that Mr. Andrew Macdonald-Bell, the former manager of the branch who was charged in June and was arrested on August 6, would appear on October 31 at Bow Street Magistrates Court to answer the charges.

Mr. Kravenbrink said that it was "a rather complex series of transactions." Besides sales of books below cost, there were rare books and cash not accounted for in the shop's sales figures, he added.

Dawson, which also operates a specialist magazine subscription and back numbers service, said that the losses in rare books would be a serious blow, although the company had the financial strength to survive them.

The company made a pre-tax profit of nearly £1.1m in its last financial year to September 30, 1979, and Mr. Kravenbrink said it would still be in overall profit in 1979-80.

Following the discovery of the losses, which occurred mostly before last September, Dawson has appointed an additional senior accountant. It is also considering the appointment of an independent firm of accountants to inquire into the losses.

Dawson is looking into the possible recovery of some of the losses, but the company said, "the board is unable to give any assurance that this will materially alter the situation." Tax relief is, however, expected to reduce them.

Mr. Macdonald-Bell had been with the company for 11 years, of which at least five had been spent in charge of the Pall Mall branch, said Mr. Kravenbrink. His other antiquarian book branches in Cambridge and Lewes were unaffected by the losses.

Shipping fraud probe cuts Far East losses

By John Moore

A DECLINE in the number of suspected shipping fraud cases in the Far East and Greece has been reported by the Salvage Association of London. The decline follows several successful prosecutions which have come before the courts in the Far East. Other court actions are pending.

In Greece, the association said, there are 22 cases of suspected maritime fraud involving 10 ships sailing under the Greek flag, and 12 others under several foreign flags. There are 19 other cases being processed which will be sent to the Public Prosecutor. Of these, eight cases involve ships sailing under the Greek flag and 11 involve ships under foreign flags.

The Salvage Association, which looks after the interests of Lloyd's London insurance company marine underwriters in dealing with damaged vessels and cargo and investigating fraud, applauded the work of the Far East Regional Investigation Team (FERIT).

"There can be no doubt that

the work of FERIT has contributed substantially to the improved situation in that part of the world."

Under the auspices of the Salvage Association and financed by marine insurance groups worldwide, four-month FERIT investigations revealed last November that fraud on a vast scale had taken place in Greece and the Far East. Information is still being fed into a data bank established by FERIT, and the authorities are being kept informed.

In the Taipei District Court 10 men were sentenced to imprisonment for terms ranging from one to five-and-a-half years for their part in plotting fraudulent hull and cargo insurance claims by scuttling the Panamanian flag freighter *Tonga* in the South China Sea in August 1979.

According to the Salvage Association the plot was hatched in June but was uncovered by security authorities, who discovered that the shipowners conspired with members of the *Tonga*'s crew to scuttle the vessel in an attempt to claim under

insurance policies for millions of dollars.

They were also involved in a counterfeit "green - backs" fraud in Taiwan. At the end of the court case, T. F. Chen, the mastermind behind the attempted frauds, was sentenced on two charges to a total of five-and-a-half years imprisonment.

Insurance companies worldwide and Lloyd's are facing their worst ever figures in peacetime for marine claims. According to statistics collected to the end of May this year by Lloyd's, sinkings were up 35 per cent on last year, and that set new records.

Most marine insurance claims have been overshadowed by the sinking of the *Salem* super-tanker. The tanker was insured for \$24m, while a cargo of oil which disappeared shortly before sinking and sold to South Africa was insured for \$56.3m. Earlier this month the UK issued warrants for the arrest of four people involved in the *Salem* affair, allegedly the world's biggest marine fraud.

New Automotive Products plant

By Rhys David

AUTOMOTIVE PRODUCTS (AP), the Leamington Spa-based motor components group, will today formally take over from contractor a £15m plant at Bolton, Greater Manchester. The company's previous factory in the town was destroyed by fire in February 1979.

The new plant will produce more than 20m filters a year. It will be self-sufficient, with facilities for design, development, tooling, pressing, assembly and warehousing.

The company says it will be one of the most advanced pro-

duction units of its type.

Only one line at the plant is operating. Another nine are due to be installed in the next year. The bulk of production will go to the motor industry. The plant will also supply speciality customers in the industrial equipment and aerospace fields on a batch basis.

The company has been supplying its customers worldwide on a reduced basis from temporary locations since the fire. It was persuaded to rebuild in Bolton partly through the efforts of the recently created Greater Manchester Economic

Development Association, the industrial promotion arm of the county.

Automotive Products was anxious to undertake its own development on a site then owned by a private developer. The land was acquired by the Development Association for £750,000, and sold to Automotive Products for £500,000.

Bolton Corporation offset the association's loss with a contribution of £100,000. The company has been helped by Government grants to the £6.21m building and £9m equipment costs of the project.

Second Gleneagles sale totals £237,000

By Pamela Judge

SOTHEBY'S achieved a total of £237,246 at the second and last of its evening sales at Gleneagles Hotel, Scotland, on Tuesday. The event was well attended, and the bought-in percentage was low.

The highest price was £9,000 for a work by William McTaggart depicting children in a churchyard by a loch. The Fine Arts Society gave £8,500 for a winter scene of parramians on the moors by Archibald Thorburn—an auction record

for the artist. A view of Annefield House, near Glasgow, by Alexander Nasmyth, went to a Scottish buyer for £8,000, and Patrick gave £3,200 for a picture of a Scottish loch by Charlotte Nasmyth dated 1838. Two works by Edward Atkinson Hornel of a country girl and children as little gardeners went to a Scottish buyer for £5,200 and £4,800 respectively.

The total for the two evenings was £427,151.

Fresh ideas in design show

A MODEL of a computerised railway buffet car went on show yesterday. It would allow passengers using cash cards to cook frozen meals in a microwave oven. The idea was put forward by Mr. Graham Taylor, a Newcastle Polytechnic student.

It was part of a display of models at the Design Centre in London from students of universities, polytechnics and colleges throughout Britain. Their proposals ranged from coffee grinders to an aircraft cockpit.

A delicious taste turns sour

IT IS perhaps appropriate that I should bring this journey to an end with one of the most important issues facing Britain today—one that unites politicians of all hues, and has gained the ultimate accolade of inclusion in the letters column of *The Times*. I refer, of course, to the flooding of these islands with French Golden Delicious apples.

It is my impression that three-quarters of the British people consider the Golden Delicious to be neither golden nor delicious, a noxious fruit with a taste akin to blotting paper and a texture like polyurethane foam. It is also my impression that three-quarters of the British people buy and eat these apples.

I make no attempt to reconcile these figures. I will only declare an interest. French Golden Delicious are not for me. I once tasted them and found them suitable only for the compost heap. My taste runs to the sharpness found in Cox's Orange Pippin, Discovery, Worcester Pearmain or Crispin. What lovely names those are.

The sort of apple I like is grown by Basil Jones at Claverton Farm, just outside Bath. Basil is of course the scene of an earlier and probably more famous confrontation with the French; now Basil Jones finds himself in the forefront of another dispute with the Gallic invaders.

The first of his early apples—Discoveries and Tydemans—Earlies—are just coming into his farm shop. Soon he will be bringing in Cox's, Russets, Bramleys, Worcesters and the newer varieties such as Gala, Kidd's Orange, Crispin, Discovery and Greensleeves.

On his 36 acres Basil Jones grows some 30,000 trees. Once he had 141 acres, but when his partners pulled out he was forced to sell the rest to meet their share of the capital.

He takes a balanced view of the Golden Delicious, but warns that it could destroy much of the English apple industry in

the same way that it has already put the Dutch out of business and crippled the Germans. And he worries that this Government does not care.

Oce Minister told him that probably half the British growers would have to go out of business. He sadly contrasts this attitude with the support given the industry by previous Governments.

Anthony Moreton concludes his journey round an economically depressed England with a look at the problems of our apple growers who are fighting a battle against massive imports of heavily-subsidised French Golden Delicious apples without any significant help

they won't." Golden Delicious is not an old-established apple but it only went into large-scale production when the French settlers in Algeria were forced back home at the end of the Fifties. De Gaulle gave them land, huge grants, and interest free loans to resettle, and they started growing the apple in great quantities in the area around Toulouse, where so many

unacceptable, and had to be phased out by 1976. The French couldn't believe their luck. Here was a market on to which they could now offload all those small apples that the French and German housewives would not take.

"At the same time we had two disastrous summers. In 1976 there was a terrible drought, and the next year frost in early spring. British apples took a terrible hammering, and Golden Delicious poured in."

The Battle of the Golden Delicious is not the only change which is affecting the grower, though. There has also been a big change in selling patterns. Fifteen years ago the British grower sold all his crop through the wholesaler. Now, a considerable proportion go via roadside farm shops. Mr. Jones thinks that as much as 15 per cent of all British apples are sold direct by the farmer to the customer.

"The wholesalers did not like this at first because they thought it would detract from their turnover. But we showed them it could lead to an increase in sales of apples. There are still farmers who sell all their output through the wholesaler, but many are selling direct now."

Basil Jones believes that the problems facing the industry have been brought about partly by the English growers' inability to meet changing needs. For far too long they grew what they wanted to grow rather than what the housewife wanted.

The ironic thing is that as Basil Jones walks among his Cox's Orange Pippins and Discoveries he can look over to neighbouring farms with their rows of vines producing very good English white wines. If the time ever comes when he has to give up his orchards he could always get a job pressing the grape.

As the French might say: "C'est la vie. . ."



Airship models ready to start tests

By Terry Garrett

AIRSHIP INDUSTRIES, formerly Thermo-Skyships, is close to starting underwater and wind tunnel tests on two one-sixtieth scale models of the saucer-shaped airship the company is hoping ultimately to put into production.

The company is building 1.8 metre models. Underwater tests, using techniques established in the U.S. during the 1930s to determine flight characteristics, are due to start next week.

Initially these experiments will take place in a water tank

in Southampton. Further tests are planned in the inner harbour at Falmouth by the end of September.

Simultaneously wind tunnel work will be carried out on another model to examine the drag profile and methods of drag reduction.

In Thermo-Skyships' prospectus published last November wind tunnel and underwater tests were expected to be completed in the first six months of the 43-month programme to build and flight-test a prototype vehicle.

The prospectus also estimated that the project would cost up to £1.3m by the time tests and designs had been completed.

The November prospectus was Thermo-Skyships' second attempt to raise money from the public. Just before Christmas, having extended the application day for shares by three weeks, it just scraped the £1.4m it needed.

Last May Thermo-Skyships bought its only UK rival, Airship Developments, which had been concentrating its efforts on pressure airships of

the more conventional type. Thermo-Skyships is aiming for a rigid-hulled ship which could, in theory, be produced in a much greater size.

The deal cost £1m mainly by the issue of shares, and the combined group was renamed Airship Industries.

Recently Surrey-based Redcoat Cargo Airlines announced an agreement to buy four airships by 1984 with an option on a further ten. The initial one, which could be in the air next summer, will cost £3m.

Strong Links with World Markets.

BMW's sustained program to provide a timely market-oriented model range of technically advanced passenger cars and engines, its continued expansion of streamlined production capacity, and its further strengthening of the sales organization were key factors in the Company's successful performance in 1979. In the autumn, the three-millionth BMW produced since 1945 rolled off the assembly line, and new registrations of BMW motorcycles reached a record worldwide.

Continued Strength of Exports

Despite fluctuating market conditions abroad, BMW's exports continued to develop favorably, contributing 51.6% of the year's total car sales volume. BMW's growing network of subsidiaries accounted for 84% of the export sales volume. The number of new registrations grew in nearly all the Company's most important export markets, and market shares were increased in the U.S., Great Britain, Italy, Belgium, and South Africa. In the past five years, BMW exports have risen by 75%.

Increased Employment

Strong demand at home and abroad resulted in full use of the Company's production capacity, in special shifts, overtime, and many new jobs. Thousands of other jobs were supported indirectly by BMW's performance in 1979 during which the Company worked with more than 7,000 independent suppliers. A growing share of the total purchasing volume was contracted from companies abroad.

Research and Development

Again in 1979 BMW set new standards in automotive technology, introducing, for example, digital motor electronics, an on-board computer for monitoring fuel economy and other data, an anti-lock braking system (ABS), and a system for electronically controlling the suspension level. Overall, for 1980 models BMW engineers achieved a worldwide fleet fuel consumption savings of 7%. The BMW fleet average savings for the U.S. improved by 30%.

Record Earnings in 1979

Net income in 1979 grew by 16.2% to DM 175 million. This has enabled the Company to further strengthen its financial reserves and to pay an increased dividend of DM 10 per share of DM 50 nominal value.

Outlook

Market conditions in the first half of the current year remained favorable. BMW is stepping up its investments in 1980 considerably above the high level of 1979 to assure

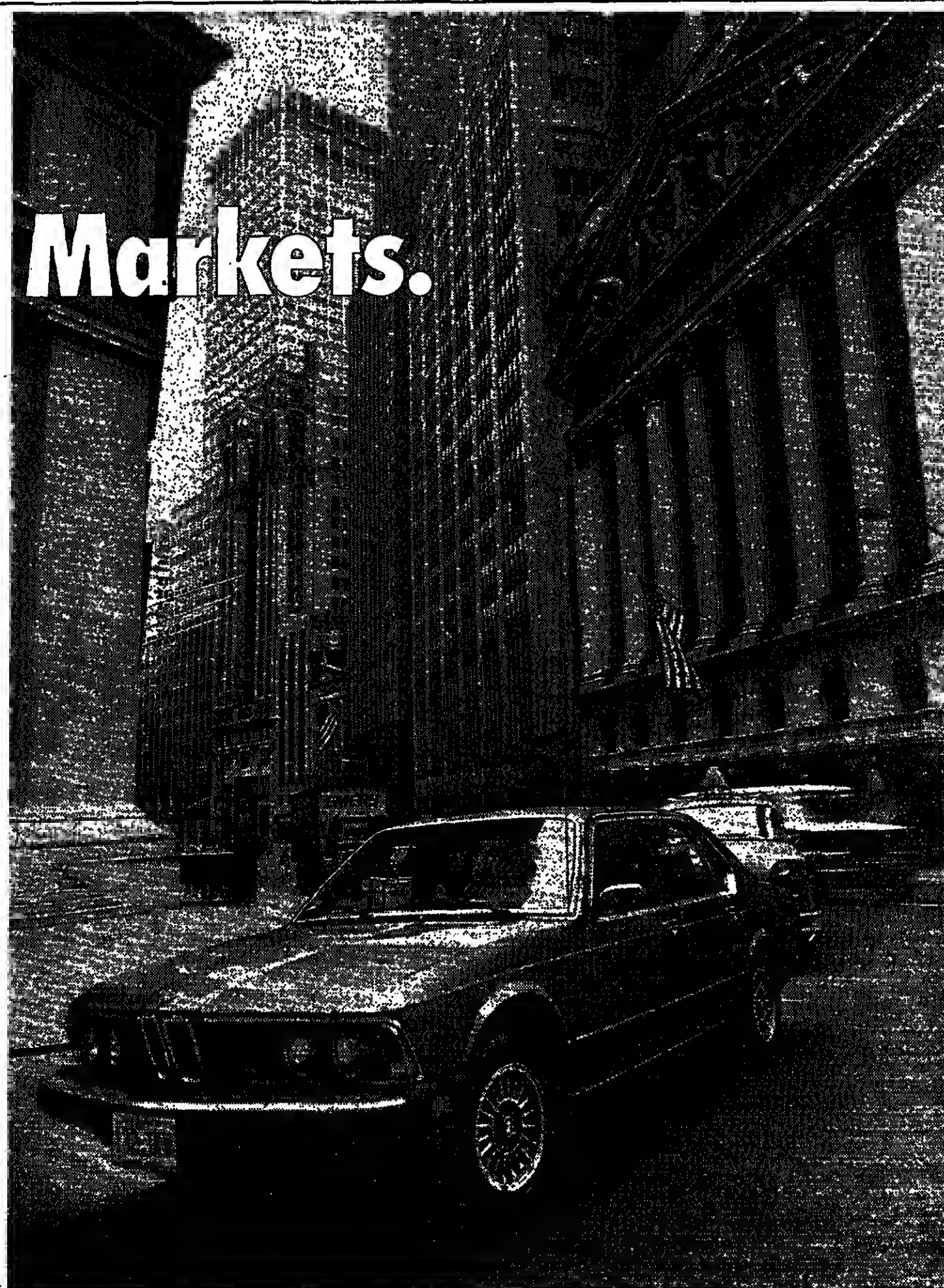
advancement in the Company's high productivity, adequate plant capacity to meet growing product demand, and required technical innovations. BMW expects continued success in 1980.

Comparative Annual Figures	1979	1978	Change %
Sales			
BMW AG	DM mill.	6,560.3	5,959.2 +10.1
BMW Group	DM mill.	7,407.4	6,557.1 +13.0
Output			
Cars	units	336,981	320,853 + 5.0
Motorcycles	units	24,415	29,580 -17.5
Car sales			
Domestic	units	162,271	157,065 + 3.3
Foreign	units	172,861	164,131 + 5.3
Total	units	335,132	321,196 + 4.3
Motorcycle sales			
Domestic	units	8,758	8,329 + 5.2
Foreign	units	18,581	18,263 + 1.7
Total	units	27,339	26,592 + 2.8
Personnel			
BMW AG		36,777	35,171 + 4.6
BMW Group		41,926	39,817 + 5.3
Personnel expenditures	DM mill.	1,626.3	1,439.2 +13.0
Balance sheet total	DM mill.	3,177.9	2,938.4 + 8.2
Common stock	DM mill.	500.0	500.0
Net worth	DM mill.	1,086.3	1,011.3 + 7.4
Fixed assets	DM mill.	1,580.5	1,450.9 + 9.6
Investment in tangible fixed assets	DM mill.	472.8	304.9 +55.1
Depreciation of tangible fixed assets	DM mill.	294.4	249.6 +17.9
Net income	DM mill.	175.0	150.6
Dividend	DM mill.	10.00	8.06
per share of DM 50 nominal value	DM %	10.00	9.00
		20	18



BMW AG

Bayerische Motoren Werke
Aktiengesellschaft
Munich



UK NEWS

BP to join in turnkey oil technology venture

By MARTIN DICKSON, ENERGY CORRESPONDENT

BRITISH PETROLEUM has formed a partnership with Aker, the Norwegian shipbuilding group, to offer the oil industry a new turnkey contract system for the development of marginal offshore fields. This will be the first time a major oil company has been involved in such a scheme.

The partnership, to be called Advanced Production Systems (APS), will be a 50/50 joint venture between the two and will act as a contractor, offering clients a full range of offshore production services, including design, engineering and project management.

BP said yesterday that oil companies customarily placed field development work with groups of contractors and that

APS was unusual in that it was a single contractor able to handle entire projects.

At least two other consortia offer the turnkey development of fields but, unlike APS, both are apparently tied to specific production systems.

The new partnership should also have the advantage of BP's position at the forefront of technological developments in the exploitation of marginal and deep-sea fields.

BP has been developing its single well offshore production system (SWOPS) for the exploitation of small fields. This would use a specially converted oil tanker both as a production platform and for the transport of oil to port. When fully developed, SWOPS might form part of the expertise on offer

through APS.

The motive force behind the new partnership is the sharp rise in the price of oil during the past two years, which has made many marginal oil fields economical — provided the owners have access to the necessary technology. BP said yesterday it expected strong demand from oil companies wanting small fields brought on stream.

Although the partnership's prime focus of business is on the North Sea, it would be prepared to undertake work elsewhere.

Aker is a long-established Norwegian shipbuilding group which designs and constructs specialist vessels for the offshore oil industry, notably its Aker H-3 semi-submersible drilling rig.

Phillips suffers N. Sea setback

PHILLIPS PETROLEUM has suffered a sharp setback in its appraisal programme for the North Sea's Tiffany oilfield, part of the so-called T-block comprising the Tont, Thelma and Tiffany fields, writes Martin Dickson.

Phillips, the operator for the T-block (16/17) said yesterday that the first of two planned appraisal wells on Tiffany had been drilled to a depth of 15,381 feet but had discovered no oil or gas.

Describing the results as "disappointing", Phillips said the well was being plugged, and abandoned. The results are not entirely surprising, since the T-block has long been recognised as having very complex geology. But it will be a blow to Phillips and its partners in the

T-block who regarded the Tiffany discovery well as sufficiently encouraging to install a subsea drilling frame and template in the field, which could later be used for production.

The Tiffany discovery well drilled last year, produced encouraging results. Oil of 33 degrees API flowed from a thick, 1,300 ft pay zone, at a rate of between 2,300 and 3,300 barrels a day.

The drilling rig Sedco 700 is moving to a location 5,766 ft away from the first appraisal well to drill a second, which might produce more encouraging results.

Phillips aims to drill two appraisal wells in the Thelma field this year. The first has yet to produce results. It was

drilled to a depth of 15,925 ft before encountering mechanical difficulties, forcing Phillips to abandon the bottom part and start drilling a sidetrack.

The disappointing Tiffany results indicate that Phillips will not be in a position to draw up a firm development programme for the T-block until it has a clearer idea of its geology.

However, the company has criticised government suggestions that the T-block development might be held back in order to regulate the flow of oil from the North Sea during the 1980s.

Phillips' partners in the block are Petrofina, Agip, Century Power and Light and Oil Exploration (London) and Scottish Marine Oil.

Ferry company to fight pilots' claim in court

By Raymond Hughes, Law Courts Correspondent

BRITANNIA FERRIES is to fight the £12,564 High Court claim for pilotage dues brought against it by 41 pilots from the Isle of Wight district.

The company says it is preparing its defence to the Admiralty Court writ issued by the pilots on August 12.

Trinity House, acting on behalf of the self-employed pilots, yesterday denied any intention of arresting the Britannia Ferries vessel, Prince of Britannia, in furtherance of the claim.

There are two circumstances in which a vessel can be arrested: when judgment has been given by a court against the vessel or its owners, and when a claimant wishes to ensure that assets will be available to meet his claim if it succeeds.

Trinity House said that it had no intention of seeking the arrest of the Prince of Britannia "with all the hardships this could bring to passengers."

Recession forces new cuts in glassware jobs

By MAURICE SAMUELSON

THE RECESSION in the glass container industry claimed more casualties yesterday as Redfern National Glass announced that it is cutting its production capacity and reducing by 500 its workforce of 2,300 at its York and Barnsley factories.

Further redundancies are also expected shortly from United Glass which has already shed more than 700 of its 10,500 workforce. Rockware Glass, the other leading container manufacturer, announced at the beginning of the month that nearly 1,000 employees, almost a fifth of its staff, were being made redundant.

Mr. John Pratt, Redfern's chairman, said that since the beginning of July demand for a wide range of containers was between 16 and 20 per cent lower than in the same month last year.

The new redundancies, whose final number would be settled with the unions, are in addition to the 260 carried out as part

of last year's wage settlement. Mr. Pratt added that the fall in demand reflected the recession in consumer spending. Redfern makes a wide range of containers, including bottles for wines, spirits, beer and soft drinks.

He also blamed the high cost of credit, which was forcing customers to carry less stock, and the high cost of fuel. Energy accounts for 20 per cent of the company's production costs. It uses fuel oil, gas and electricity.

Birds Eye's factory at Lowestoft, Suffolk, is to make 250 of its 1,550 workers redundant. The company said the job losses were due mainly to the general recession and the resulting drop in sales.

Falling sales of tractors have forced the closure of a foundry at Beams Foundries, in Tipton, West Midlands, with the loss of 150 jobs. The company, part of B.L. makes castings for tractors and components for the Austin Morris works in Birmingham.

Hansom Books rescue talks go ahead

By ALAN FORREST

TALKS were taking place to try to save one of Britain's leading groups of arts magazines from collapse.

Hansom Books, publishers of seven magazines under its Seven Arts Group imprint, ceased trading yesterday. Mr. Philip Dosse, the company's founder, told staff at the offices in Victoria, London, there was no money to pay them.

Yesterday Mr. Dosse said: "I am still trying to organise a rescue operation. I am looking

for the best deals for the magazines and for my loyal staff."

It is believed that the publishers of Punch are interested in the magazines.

Hansom Books publishes seven titles, Books and Bookmen, Plays and Players, Music and Musicians, Dance and Dancers, Records and Recording, Art and Artists and Films and Filming.

Mr. Dosse, 55, a former printer's office boy, launched the

How to end fumes, pongs, stench and hums

By Raymond Snoddy

WHOLE SECTIONS of British industry are held in bad odour by the public.

The fumes of fishmeal manufacture, the pong of petrochemicals, the hum from rendering of animal waste and the stench of sludge manufacture led to so many complaints that a working party was set up.

Representatives of the "offensive trades" joined local authorities, scientists and the Environment Department to see how Britain could become a sweeter smelling nation.

The result was a £1m three-year research programme by the Industry Department's Warren Spring Laboratory in Stevenage, Herts.

Its report, *Odour Control—A Concise Guide*, was published yesterday. It is the first time a systematic approach has been taken to industrial odour problems.

Eighty-four local authorities and 150 companies contributed to the programme's cost. The local authorities also contributed sniffing panels to try to decide just what the public nose found offensive. The companies gave the Warren Spring scientists access to their most pungent smells.

People and odours met under laboratory conditions in a chamber with polished aluminium walls. Odorous gas was diluted with odour-free air to determine the number of dilutions required for an odour to be just perceived by 50 per cent of the panel.

The nastiest smell to the average nose is apparently the smell of a washing machine. It is not only the washing machine but they also often emit their own unpleasant fishy smell.

Mr. Alan North, co-editor of the guide, says animal by-products seem to be among the most offensive, with the really nasty smells involving putrefaction.

Machines, says Mr. North, can detect substances, but you need a nose to tell whether it smells or not. The human nose is so sensitive it can detect some odours at 0.2 parts per billion.

After sampling the smells and studying the production processes of British industries with an odour problem the guide says that careful analysis, soundly designed, engineered and maintained prevention and abatement measures can deal with virtually all odour nuisance problems in an acceptable fashion without crippling expense.

The research teams found that some odour control equipment aggravated the situation by removing 99 per cent of the problem smell while turning out 30 times more of a different stink.

Mr. North believes the problem is choosing the right methods for alleviating a particular smell.

Thermal incineration—half a second at 800°C—is effective but high in energy costs. Catalytic incineration works at lower temperatures but the catalyst involves extra cost. Absorption—the retention of odours on the surface of activated carbon—is more suitable for weak odours.

Absorption in water can be used on soluble odours. Biological oxidation techniques are often useful.

Odour Control—a concise guide, £14.50, is available from Warren Spring Laboratory, P.O. Box 20, Gullens Wood Road, Stevenage, Herts.

Sue Cameron looks at the threat of U.S. imports

ICI optimistic over soda ash future

IMPERIAL Chemical Industries yesterday announced it would be cutting the workforce in its three UK soda ash plants by just over 18 per cent in the next two years. The group said the move was part of an attempt to "counter the threat to its UK market from American natural ash imports."

But the British chemicals giant is confident of its ability to overcome the danger posed by U.S. producers and to make its soda ash business "robust and profitable throughout and beyond the 1980s."

ICI's optimism is based on two major factors. The first is the £100m modernisation programme it has been carrying out at its soda ash plants for the last five years. The second is the slowness of American producers to make significant inroads into the UK and Continental markets—in spite of their considerable natural advantages and determined efforts to do so.

In many chemical production areas, U.S. companies are maintaining their volume sales by exporting cut-price goods to Europe. But ICI maintains that soda ash falls into a different category from styrene

and other plastics raw materials which are the subject of anti-dumping investigations by the European Commission.

The group also insists that, in the case of soda ash, it is anticipating the future challenge from the U.S. rather than waiting until its market is already eroded.

ICI announced the bad news on the day UK unemployment figures topped 2m. Today ICI's second quarter results are expected to be gloomy.

ICI has a soda ash production capacity of 1.7m tonnes a year and the operation employs 3,300 people. It is the only soda ash producer in the UK. It has a dominant position in the British market, although it also exports about 170,000 tonnes a year—roughly 10 per cent of its total production capacity.

Some 60 per cent of ICI's soda ash sales go to the glass industry. Soda ash is used in the manufacture of containers, mainly bottles, and windows, including windcreens. It is also used in the manufacture of detergents and chemical intermediates.

The soda ash industry is facing two problems:

- The recession is hitting its glass manufacturing customers.
- U.S. producers are trying to gain a strong presence in the European market while they have the big advantage of being able to sell their soda ash for about 10 per cent less than ICI.

But ICI believes that the price advantage enjoyed by U.S. manufacturers is likely to be only temporary. The group also thinks—and this is the crux of its argument for optimism—that unlike many other UK and continental chemical businesses, it is actually taking the offensive before America has managed to do any real damage.

The U.S. has a great natural advantage over the leading European soda ash producers because of large natural deposits in Wyoming.

The soda ash is mined from the sodium sesqui carbonate deposits there. Although it then has to be purified, the process is simpler and cheaper than making it synthetically. European countries, including the UK, also have strip coal mines which provide the fuel for the soda ash production process.

Finally, the U.S. Government's control of oil prices gives American soda ash producers cheaper fuel oil than their

European counterparts.

But ICI has to make its soda ash from salt—mainly from salt deposits 800 to 900 feet deep in Cheshire—plus limestone mined at Buxton in Derbyshire and coke from Barnsley. The group points out that the cost of its fuel oil has probably doubled since the Iranian revolution last year.

The U.S. might, therefore be thought to have an overwhelming advantage. However ICI is undismayed for five main reasons:

- Against the advantage of coal and natural ash, Wyoming suffers atrocious weather. This puts its ability to guarantee security of supply into question.
- Wyoming is a long way from European markets, and transport costs count against it.
- The main reason that U.S. soda ash enjoys a cost advantage over ICI's is that inflation rates and exchange rates are both working against the UK. ICI says that these can alter rapidly.
- U.S. soda ash producers have made little noticeable headway in the European market.
- ICI has been modernising its soda ash plants.

when British residents stayed away from home was slightly down on the 1978 figure, and the average spent per night was £7.20p.

The average amount spent was curtailed by the continuing popularity of holiday accommodation made available by relatives. Such cheap, or free, numbers provided up to a third of tourist accommodation for the British. Hotels and guest houses account for less than one-fifth of tourist accommodation.

Despite the recession, tourism appears to have held up well this year.

- The number of UK residents going abroad for holidays is continuing to increase, at a much faster rate than the number of foreign visitors to the UK, the Department of Trade said yesterday.

Hard sterling encourages tourism

By GARETH GRIFFITHS

THE BRITISH took more holidays last year than at any time since the 1973 boom, although the main beneficiaries were overseas and the UK's share of its own tourist spending fell slightly.

The British Home Tourism Survey for 1979, published yesterday by the English, Welsh and Scottish Tourist Boards and the British Tourist Authority, says British residents took 132m trips in the UK and abroad and spent £75m nights away from home. This was a 2 per cent increase on the 1978 figure.

Tourist spending at home and abroad rose to £6,575m while spending by British residents in Britain was £3,800m. The survey covers only the tourist activity of British residents. It excludes foreign visitors to the UK and their contribution to the tourist industry.

The increased strength of

the pound and inflation at home boosted the appeal of foreign holidays last year. British residents spent 150m nights abroad in 1979, 12 per cent higher than in 1978. Average spending abroad rose 19 per cent to £18.50 a night. Spain remained the most popular choice for UK residents.

Tourism at home was boosted by a 38 per cent increase in spending on business and conference trips to £1,575m. Half of these business trips were for one night only, mainly to London or the larger provincial towns. There were few seasonal variations in the level of bookings.

The boom in business tourism helped the real increase in spending for British tourists at home last year. This showed an increase of 23 per cent, a figure above the inflation rate. The total number of nights

when British residents stayed away from home was slightly down on the 1978 figure, and the average spent per night was £7.20p.

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Westward rivals to go to court

THE RIVAL groups in the Westward Television boardroom row are to appear before Lord Justice Dillon next Thursday in a bid to resolve arguments over the validity of conflicting calls for extra-ordinary meetings of shareholders.

The incumbent board, which is led by Lord Harris of Greenwich and which removed Mr. Peter Cadbury from the chair last month, will be seeking endorsement for its calling of a meeting on October 17.

Mr. Cadbury, the largest single shareholder in the company, has summoned a meeting for September 10, and will be asking that this meeting be confirmed as the valid one.

What appears on the surface to be a simple clash of views between the majority of voting shareholders and the majority of the board is complicated by a series of factors.

Between the dates proposed by Mr. Cadbury and Lord Harris, are the appearance of the Westward board before an Independent Broadcasting Authority public meeting about the future of the West Country commercial television franchise (September 23) and Mr. Cadbury's appearance in court on a charge of wasting police time (October 6).

Reprieve expected for ILEA

By RICHARD EVANS, LOBBY EDITOR

THE INNER LONDON Education Authority is likely to be reprieved despite threats of disbandment from leading Conservatives. A Government decision will be known by the autumn.

The investigation launched by Mrs. Thatcher last April is nearly finished. Recommendations are due to reach Mr. Mark Carlisle, Education Secretary, before Parliament returns at the end of October.

Indications are that the inquiry, chaired by Baroness Young, Minister for Education, believes that disbanding ILEA,

created in 1963, would not be practical. But major reforms are needed in its structure and financial accountability.

It will be up to senior Ministers, and ultimately the Cabinet, to decide whether to accept the recommendations in the face of considerable opposition from many Conservative MPs.

Tory opponents of ILEA failed to obtain a manifesto commitment for its abolition. But a powerful committee headed by Mr. Kenneth Baker, MP for St. Marylebone, recommended last February that ILEA's powers should be re-

turned to the boroughs. This view still has considerable support on the Conservative benches.

The study is expected to recommend reforms, including a change in membership of ILEA to give more influence to the boroughs, greater electoral accountability, and more financial checks to meet criticism of overspending.

Major reforms will almost certainly have to await Parliamentary legislation. ILEA, the country's largest educational authority runs London's 1,100 state schools and has an annual budget of £500m.

Whitehall probe into leaks to Press

AN INVESTIGATION has been launched in Whitehall to try to discover the source of leaks to the Press in recent months, writes Richard Evans.

The leaks have included details of Cabinet committee papers and accounts of confidential Whitehall meetings.

The inquiry is being conducted by an investigator who will report to Mr. Angus Maude, Paymaster General and the

minister responsible for presentation of Government policies.

His task will be to identify the source of leaks from the regular weekly meetings Mr. Maude has with senior Government information officers, and to discover who leaked a confidential document last month which proposed a Government campaign to increase public support for the EEC.

Mrs. Thatcher's administration so far has not been dramatically prone to leaks, but a number of recent disclosures have annoyed her.

The main object of the present inquiry seems to be as much to improve defences against future unauthorised leaks as to catch past culprits. There is a long history of official Whitehall probes of leaks that have all come to nothing.

Water charges

WATER CHARGES in the UK have risen by 200 per cent since the reorganisation of the water industry seven years ago, compared with a 145 per cent rise in the cost of living in the same period, according to National Utility Service, the international energy cost analysts.

£45m orders

BRITISH TELECOM is placing follow-up orders worth £45m with GEC and Plessey for the 120-line Monarch PAK switchboard. The first production deliveries of the system are now being made, ready for supply to customers in Central London next month.

The right address

THE CENTRE for Policy Studies has asked the FT to publish that its address is 8, Wilfred Street, London, S.W.1, and not as printed in yesterday's edition.

Aerospace stake to be retained

By Lynton McLean

THE GOVERNMENT will keep a 50 per cent stake in the British Aerospace Corporation when it is partly denationalised under the 1980 British Aerospace Act.

The decision was announced yesterday by Mr. Adam Butler, Minister for Industry, at the Aerospace in the Eighties and Beyond conference in London, organised by the Financial Times and the Royal Aeronautical Society.

The remaining 50 per cent will be offered for sale to private investors, including employees of the corporation.

This contrasts sharply with the commitment given in the Conservative Party manifesto at last year's general election, which said: "We will offer to sell back to private ownership the recently nationalised aerospace and shipbuilding concerns." The implication was that all the aerospace corporation would be sold.

Mr. Butler said the British Aerospace Act would be implemented as soon as possible, but he gave no date. British Aerospace would be a "free-standing corporation, dependent for money on its ability to make a profit."

Military needs will shape the airliners of 2000

UP TO 8,500 new civil jet aircraft worth \$300bn (£126bn) are expected to be ordered by world airlines by the end of the century, Sir Frederick Page, chairman and chief executive of the British Aerospace aircraft group, said in London yesterday, writes Lynton McLean.

The average production run to supply these airliners would involve at least 600 aircraft. This would be essential to give the manufacturers a "reasonable return" on their very large investment and to provide the improved efficiency needed to hold down costs.

Sir Frederick said the figures implied about 14 new jet airliners in production by 2000. Four of these had already been launched.

The forecasts were only "very rough indicators of trends" but they continued the broad pattern of the previous 30 years in aerospace development, he told delegates at the Aerospace in the Eighties and Beyond conference organised in London by the Financial Times and the Royal Aeronautical Society.

The trend was firmly established towards a smaller number of aircraft types, a greater concentration of industrial resources and more collaboration in the major aircraft producing countries.

On top of the figures for new airliners likely to be ordered

between 1980 and 2000 were the specialised executive and private aircraft. Sir Frederick said this was an important and growing market.

Aircraft have had typical lifespans of over 30 years from project definition to retirement. For economic reasons this time-

operating economics and market trends.

Aviation fuel used by civil and military aircraft accounted for less than 5 per cent of total world oil output. The proportion is expected to remain at less than 9 per cent by 2000.

War in the Gulf in the next decade would "throttle severely oil supplies" and aviation fuel would be in short supply. But, war apart, Sir Frederick said new oilfields, liquid fuels from coal, alternative energy sources and energy conservation measures enforced by rising prices were likely to provide adequate supplies of aviation

fuel at least to the end of the century.

Rising fuel prices, perhaps up 3 per cent to 5 per cent compound by 2000, would certainly influence the development of civil airliners.

Nevertheless, it was unlikely that any major change in the type of fuel used for aircraft would occur over the period.

In 10 years aero-engine specific fuel consumption might be 10 per cent to 15 per cent lower than the best performance of current engines. Further improvements would be possible, but 20 per cent improvement in fuel efficiency by the end of

the century would be "getting close to the practical limit," Sir Frederick said.

Fuel accounted for 40 to 50 per cent of direct aircraft operating costs, and by the 1990s the total improvement in fuel consumption compared

(£126bn) of the total would be ordered outside the U.S. and two-thirds of this outside the North Atlantic Treaty Organisation.

Mr. George Jefferson, chairman and chief executive of the British Aerospace Dynamics Group, told delegates that the next 20 years would also see the development of a new generation of "highly agile missiles."

They would be "very fast, much smaller and with a dual capability to engage tanks and aircraft." Further developments in speed, area of coverage and invulnerability to electronic counter-measures were envisaged.

Greater technical and operational problems remained to be solved, with air-to-ground weapons. A switch from unguided munitions to guided munitions was inevitable and "overdue," but this sector was not getting the resources it deserved.

The technical problem was to differentiate between real targets and other "background" objects, and if solved, this would be the "biggest technology step forward in the next 20 years."

Mr. Alan Newton, engineering director of Rolls-Royce, outlined prospects for aero-engines designed for better fuel economy.

Agricultural aircraft launched

By Lynton McLean

AN ALL-BRITISH light aircraft, the Fieldmaster, was launched yesterday by the National Research Development Corporation and NDN Aircraft in an attempt to win a share of the growing world market for agricultural aircraft. These are used for spraying herbicides, pesticides, fertilisers, insecticides and seeds.

NDN Aircraft, of Goodwood Aerodrome, Chichester, successfully developed and certified the Firecracker military and civil training aircraft.

Mr. Desmond Norman, the company's managing director and the Fieldmaster's designer, was also involved in developing the British Norman Islander twin-engined transport aircraft.

The prototype Fieldmaster is already taking shape at Goodwood, under a £500,000 National Research Development Corporation/NDN programme.

The aircraft is expected to fly the first time next summer. After testing and certification, production aircraft will be assembled at NDN's factory being built at Sandown Airport. The market for light agricultural aircraft is expected to double in the next 20 years.

FINANCIAL TIMES
Aerospace
in the 80s
and beyond
CONFERENCE

Avionics market 'to grow'

THE WORLD market for airborne electronic equipment—avionics—is expected to be worth \$80bn by 1990, Mr. William Alexander, the assistant managing director of Marconi Avionics, told conference delegates yesterday.

Microprocessors and new computer technology made possible "major new advances in aerospace avionics."

Lasers were expected to play an increasing role in the development of avionics to the end of the century. Current developments included laser gyroscopes for navigation systems, and laser rangefinders.

Other prospects included the "more versatile use of full colour displays on aircraft flight decks, and improvements to the head-up displays, including equipment designed to display instrument data through pilots' helmet visors."

But some of these developments may be limited by "the ability of companies to manage the overall task of integrating the systems into the aircraft."

The successful programmes were expected to be those run by a "strong, single-minded and well informed management team."

By the end of the century the world aerospace industry should be launching aircraft for service up to and beyond 2030

with the 1970s was expected to be almost 30 per cent.

However, this improvement in efficiency arising from technical advances would almost certainly be reduced to 20 per cent as a result of the greater impact of rising fuel prices.

New shapes of civil aircraft likely to emerge by 2000 would almost certainly reflect the latest military designs, which would arise from the \$500bn (£210bn) military aircraft investment programmes forecast by the end of the century.

This would be the total value of military combat and trainer aircraft likely to be needed outside the USSR, Soviet bloc and China.

Approximately \$300bn

كلمة الله

BL unions decide on separate pay bargaining

BY PHILIP BASSETT, LABOUR STAFF

BL UNIONS yesterday decided to set up separate pay bargaining bodies for the company's cars and vehicles divisions. This move could increase the control over wage negotiations of the more militant Transport and General Workers' Union.

The decision yesterday of a special meeting of the executive of the Confederation of Shipbuilding and Engineering Unions, which effectively signals a victory for the position taken by the TGWU over that adopted by the more moderate Amalgamated Union of Engineering Workers, will be given to the company at a meeting tomorrow.

The meeting will give the CSEU's considered reply to a

paper put to the unions, by the company, on the future of its pay bargaining machinery following its decision to withdraw its cars and vehicles divisions from membership of the Engineering Employers' Federation.

The TGWU had threatened to withdraw its BL members from the CSEU if, as the AUEW wished, the CSEU maintained a bargaining link with BL. The AUEW has a majority voice in the CSEU, though the TGWU claims the largest union membership in BL.

The rift between the two unions was bridged before yesterday's meeting since the proposals put forward on the issue were eventually tabled by the

AUEW engineering section in a letter.

The two proposals for separate bargaining units for cars and special vehicles, in which the TGWU is likely to hold sway, were accepted unanimously by the meeting.

Both the TGWU and the General and Municipal Workers' Union, among the larger unions, voted against a fourth proposal on the CSEU's eventual role, though it too was carried.

The proposal limits the role of the CSEU to forming deputations to Government over wider industrial issues concerning BL, in much the same way as its recent interest in the buying policy of British Aerospace over U.S. radar equipment.

The AUEW's formal position was that it had not finally made up its mind before yesterday's meeting, but it was clear that senior officials of the union wanted to see a continued CSEU involvement in BL in opposition to the TGWU.

July strike record lowest since Second World War

BY PAULINE CLARK, LABOUR STAFF

BRITAIN'S strike record last month was the lowest since the Second World War. The number of working days lost through stoppages also fell dramatically.

The trend is expected to continue for the rest of the summer.

Figures published yesterday by the Department of Employment put the number of working days lost in July at 171,000—half the number recorded for the previous month.

Of the total 97,000 days lost were caused by stoppages which continued from June.

The department pointed out that the estimated number of days lost was the lowest since July, 1967. This represents a change from the usual pattern in which December is expected to set the lowest level of working days lost. Last December, just before the start of the national steel strike, the figure fell to 180,000.

There were 87 stoppages in July of which 35 started in June. About 44,900 workers

were involved of whom 11,400 represented those involved in stoppages from the previous month.

The survey says that of the 33,500 workers involved in stoppages which started in July, 31,700 were involved directly and 1,800 indirectly.

Prominent stoppages during the month included the 17-week dispute affecting four Government establishments in Scotland and Wales, where about 70 supervisory staff were suspended for refusing to carry out their normal work because of a dispute over a productivity deal. More than 1,700 workers were laid off.

About 1,200 workers in a Birmingham rail car company were also laid off because of a seven-week strike by electricians.

The strike total included a stoppage by 1,300 boiler makers at a Barrow-in-Furness ship-building yard.

These disputes accounted for about one-third of the month's total of working days lost.

Ford unions to demand shorter hours and inflation-related rises

BY NICK GARNETT

NATIONAL union officials and shop stewards representing Ford Motor's manual workforce will fix tomorrow the main elements of the group's annual wage claim. This will include demands for inflation-related rises and shorter working hours.

The Ford unions this year appear to be in a subdued mood and the company will be negotiating against a background of short-time working at some plants and a drive to secure voluntary redundancies in its component manufacturing operations.

The company's negotiations have traditionally been viewed as a barometer of trade union attitudes towards pay at the beginning of the wage round, although the settlement date has been moved back a month to the end of November.

The importance of the negotiations might still be true for unions negotiating of companies in similar trading positions to Ford. But, union negotiators expect that, in this wage round, there will be much greater variations in settlements than is usual.

partly because of job losses and the expected introduction of new assembly line technology.

Ford shop stewards said yesterday that they would be seeking rises linked directly to the rate of inflation and would again be making shorter working hours a priority.

Last year they obtained a commitment from the company to discuss hours but a long series of negotiations have proved largely abortive.

The unions said yesterday fully to attach these changes to that improvements in hours had become a greater necessity

hours in recent discussions.

Union prods TUC on Poland

THE 150,000-strong white collar Association of Professional, Executive, Clerical and Computer Staff, yesterday submitted an emergency motion on Poland to the TUC for next week's congress at Brighton. The motion recognises that trade union freedom from government interference and the need for free trade unions are legitimate aims, and adds: "Congress calls on the forthcoming TUC delegation to Poland to ensure that, as a matter of priority, it meets with those leading the demands for free trade unions in Poland, and also expresses its views in discussions with the Polish Government and other relevant authorities."

Print unions agree on media motion for TUC

BY JOHN LLOYD, LABOUR CORRESPONDENT

PRINT UNIONS yesterday agreed a far-reaching composite motion on the media, which will be debated at the annual Trades Union Congress next week.

The agreement has removed the two issues over which the unions could not agree, and means the motion—which remains "toughly worded"—is likely to be carried by congress.

The first of the two contentious points was a clause in the main motion, by the National Union of Journalists, seeking to ban all journalists who are not members of TUC-affiliated unions from covering union conferences.

This has been deleted at the request of the Society of Graphical and Allied Trades on the understanding that the mover of

the motion—likely to be Mr. Frances Beckett, president of the NUJ—will speak in favour of such a ban.

The second point was contained in an amendment by the National Society of Operative Printers, Graphical and Media Personnel. This called on unions to refuse "comment or interview to those journalists who consistently misrepresent, distort or bias their articles against trade union activities."

The composite motion, if passed, will commit the TUC and its affiliated unions to fund "alternative" media, and to ensure the right of reply for individuals or groups who are the victims of distorted news coverage.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering output (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. output	Retail vol.	Retail value	Unemp.	Vacs.
1979							
1st qtr.	110.4	102.5	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.0	107	104.2	144.3	1,290	256
3rd qtr.	112.6	103.1	99	99.5	144.6	1,269	247
4th qtr.	112.5	103.8	106	101.7	151.9	1,286	230
1980							
1st qtr.	110.2	101.7	98	103.2	157.8	1,379	193
2nd qtr.	107.4	99.1	97	101.5	161.3	1,492	160
Feb.	110.3	101.1	97	103.9	158.5	1,383	191
March	108.9	98.4	106	102.6	159.4	1,414	181
April	107.2	98.4	92	102.2	161.0	1,458	160
May	106.9	97.0	95	100.6	160.2	1,484	163
June	108.2	98.2		101.6	162.4	1,535	147
July				101.0		1,606	126
Aug.						1,696	120

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile	Hous. starts*
1979							
1st qtr.	105.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	123.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	123.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
1980							
1st qtr.	105.2	101.7	127.0	99.3	60.3	91.9	12.3
2nd qtr.	101.2	96.6	123.0	94.0	90.9	86.7	16.2
Feb.	106.0	104.0	123.0	101.0	55.0	92.7	12.4
March	103.0	99.0	124.0	95.0	64.0	88.0	15.0
April	102.0	98.0	121.0	95.0	64.0	88.0	15.0
May	100.0	96.0	123.0	93.0	94.0	85.0	17.0
June	102.0	96.0	123.0	94.0	97.0	87.0	16.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn*
1979							
1st qtr.	109.0	116.9	-1,588	-1,215	-235	107.0	16.78
2nd qtr.	135.3	128.9	-486	-397	-229	160.4	21.69
3rd qtr.	129.8	128.1	-493	-83	-156	106.8	23.18
4th qtr.	129.3	128.9	-745	-711	-157	103.7	22.54
1980							
1st qtr.	131.3	126.5	-723	-417	-126	100.7	24.87
2nd qtr.	129.2	124.8	-299	-149	+19	102.4	
Feb.	136.5	128.9	-232	-130	-45	100.6	23.93
March	127.7	122.7	-176	-74	-45	100.6	28.56
April	127.2	127.6	-294	-214	+44	101.8	28.01
May	130.2	121.8	-18	+22	+32	102.0	28.28
June	129.8	122.2	-17	+33	-15	103.4	28.17
July	129.8	118.5	+261	+311	+102	103.3	28.27

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HPI, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE %	BS inflow	HP lending	MIR %
1979							
1st qtr.	7.2	8.4	32.5	+1,296	777	1,581	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,587	14
3rd qtr.	12.0	11.3	12.3	+3,642	933	1,879	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,954	14
1980							
1st qtr.	-4.0	7.2	21.9	+1,723	634	1,974	17
2nd qtr.	-1.5	10.7	23.3	+3,186	697	1,972	17
Jan.	-6.9	8.1	22.6	+737	335	668	17
Feb.	-6.7	6.1	20.7	+271	199	665	17
March	-2.3	7.5	25.4	+711	200	641	17
April	-4.0	4.5	18.4	+695	268	676	17
May	-4.0	12.6	21.9	+1,144	225	621	17
June	-4.9	+21.4	23.8	+1,352	206	676	17
July	11.2	43.0	61.4	+3,502	340		16

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic matis.	Wholesale	RPI*	Food*	FT* comdty.	Strig.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	185.0	216.5	225.2	283.55	67.4
3rd qtr.	152.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	285.13	68.8
1980							
1st qtr.	167.7	197.5	191.5	248.8	247.5	284.47	72.4
2nd qtr.	176.9	201.3	199.1	263.2	255.9	267.45	73.5
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	252.2	251.1	284.47	72.6
April	175.0	202.3	197.0	260.5	254.1	275.07	72.5
May	178.1	200.4	199.1	263.2	255.7	283.32	74.9
June	183.6	201.1	201.2	265.7	257.9	267.45	74.4
July		201.9	203.1	267.9	259.9	273.57	74.7

* Not seasonally adjusted.

U.S. \$1,800,000,000 SYNDICATED NOTES OF THE REPUBLIC OF VENEZUELA



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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Sales are down, but marketing in a recession holds no fears for Rowntree

Branding: Rowntree follows the textbook

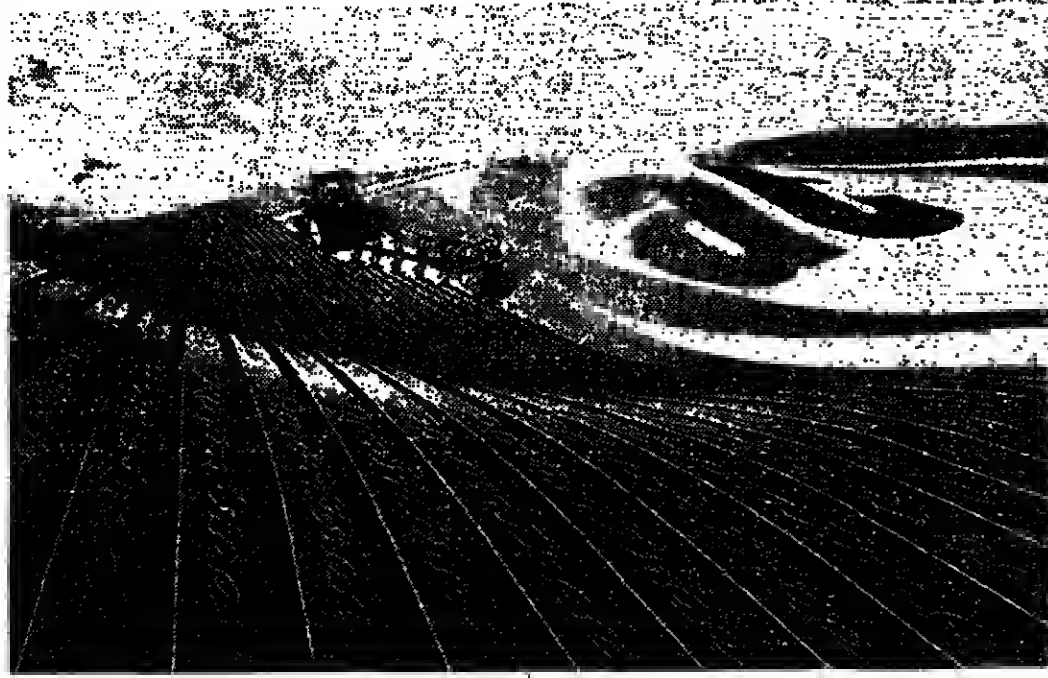
BY NO stretch of the imagination is this a year of plain sailing for the confectionery makers. Although total sales are expected to reach £1.9bn, preliminary figures for the market to mid-July indicate a fall in volume of a little over 7.5 per cent—attributed, in part, to last year's near-doubling of VAT.

The dip will be in evidence next month, when Rowntree's Mackintosh is expected to report sharply lower interim profits. The first six months are traditionally much less important to Rowntree than the second half of the year, though such are conditions in the market that some forecasters are anticipating a full-year profit from Rowntree below last year's £40.4m, itself a 10 per cent fall on 1978.

Rowntree is not despondent. Its sales to date have suffered less than the market's overall. They are perhaps 5.5 per cent down, although in an industry where the break-even is so high, even a small fall can have a marked effect.

Much more importantly, Rowntree is confident that in practising what it preaches—ultra-efficient production and very strong branding, even in the midst of a recession—its long-term prospects are good.

The same applies to arch-rivals Cadbury and Mars, of course, but let us stick to Rowntree, where the gospel of branding as perfected and preached by these three giants



can be heard at its most evangelical.

With UK sales this year expected to total between 25,000 and 26,000 tons, and worth more than £80m, Rowntree's Kit Kat is said to be Britain's top confectionery product, with the Mars Bar a very close second, and Cadbury's Dairy Milk third. In terms of volume, Kit Kat is still virtually at its all-time high, a remarkable performance for a brand that started life in 1935 (as Chocolate Crisp).

The concept was one of several product development ideas worked out by Rowntree in the 1930s, ideas that included not only Kit Kat but Black Magic, Aero, Dairy Box and Smarties. From its beginning, Kit Kat was positioned both as a confection and a snack, and by the 1930s was Rowntree's biggest brand.

Heavy and consistent brand investment, both in terms of increased production capacity and regular advertising support (the budget this year exceeds

£1m) has produced a doubling of sales in the last 10 years. In the UK alone, average sales are 15m bars a week, while the total international production of Kit Kat is approaching 80,000 tons a year. It is manufactured by Rowntree subsidiaries in Germany, Australia, Canada, Ireland and South Africa, and is also manufactured and marketed under licence in the U.S. and Japan. It is exported to at least 75 countries, the hungriest export market, curiously being the

Middle East.

Every working week, 22m bars are made in York, although such is demand that Rowntree is now bringing on stream a new £4.4m production plant whose present maximum capacity of 300 tonnes a week could be increased to 400.

In other words, there is an inordinate amount of Kit Kat about, a testament, Rowntree would aver, to the rewards for creativity and ingenuity even in a market as formidable as this.

Rendered in the language of its own fair prose, the Rowntree marketing philosophy reads very prosaically.

The philosophy only begins to come alive when talking to men like Kenneth Dixon, Rowntree's deputy chairman and chairman-designate, Jack Nutter, chairman of Rowntree's UK confectionery division, and Ralph Kaner, the confectionery division's deputy chairman.

According to Kaner, it is Rowntree's policy neither to cripple marketing support in a recession, nor to seek to buy its way out. "It is both divisional and group policy to maintain marketing support as steadily as possible, as well as new product experimentation," he says.

Such programmes are expensive. New confectionery super-brands are few and far between. Yet in the next 20 years it can produce another two 'Kit Kats', Rowntree, for one, will undoubtedly not complain.

ABM ISSUES WRIT

Woolworth—'No plans to change agency'



THE AFTERMATH of Woolworth's near-£16m slump in interim pre-tax profits, announced two weeks ago, has caused controversy in advertising circles and aggravated feelings at the Allen Brady and Marsh agency, which handles the Woolworth account.

This week, ABM and its chairman, Peter Marsh, issued a writ for damages for alleged libel against the Leagas Delaney Partnership, Campaign magazine writer Howard Sharman, Campaign editor Bernard Barnett, and Haymarket Publishing, following a Leagas Delaney double-page advertisement published last week, as well as two articles appearing in the same issue.

Allen Brady and Marsh is Britain's eighth biggest agency. The Woolworth business, which in the 12 months to June 30 billed in excess of £7m, is thought to be its biggest single account.

Woolworth chairman Geoffrey Rodgers said yesterday: "Just because we talk to other agencies, and see what they have to offer, does not mean we have any plans to change agencies. At present there are no such plans."

Leagas Delaney, one of London's newest agencies, was formed four weeks ago by Ron Leagas, formerly managing director of Saatchi and Saatchi, and Saatchi's former managing director and creative director of BBDO.

ABM, Peter Marsh, and ABM managing director David Croisdale-Appleby already have in train a separate action for alleged libel against Haymarket Publishing, which is set for hearing next June.

Invasion in reverse

A fighting alternative to the cry for import controls has been advanced by one of Britain's leading market researchers, Dr. Elizabeth Nelson, chairman of the Taylor Nelson group. "If you can't beat them," she says, "use their tactics."

She says the British are getting used to foreign cars, cameras, hi-fi and food, and that the consumer's "international outlook" is being vented in a positive preference for products foreign.

The reaction of British com-

panies," says Dr. Nelson, "must be either to regard the import onslaught as a simple threat, and fight it defensively, or to challenge the import market by entering into it rather than by attacking it from outside."

Dr. Nelson bases her call on analysis of Taylor Nelson's large-scale Monitor survey. She says there has been very little research by UK manufacturers into the underlying reasons for the importers' success.

She says three questions must be asked: What are foreign products' most attractive selling points? How do the invaders direct their marketing? Has the whole foreign package a style that British products could adopt?

Answers, please—quickly.

A tale of tall bear

Police and troops armed with boxes of yoghurt and bunches of bananas. The Guardian informed Bank Holiday readers, had searched in vain for Hercules, the 40-stone 10 ft grizzly fugitive that had "struck terror into the hearts of people on the small Outer Hebrides island of Benbecula."

What followed must have struck momentary terror into the hearts of Kimberley-Clark, whose Kleenex tissue firm recently employed the escaped bear for a one-minute commercial "costing £1m" and extolling the virtues of lavatory paper.

The inflation of production costs is notorious. But £1m? "Good grief," said a spokesman at the Kleenex agency, D'Arcy-MacManus and Masius, "the client might be spending £1m on airtime, but a fraction of the commercial cost."

That it was filmed in southern England, not Australia. "If true cost? 'Below £100,000.'"

Another figure that made strong men weep was featured in the London Evening News on Tuesday. "£300m in search of an agency," read the headline above a story to the effect that two of the world's biggest fruit producers (Australian Canned Fruit and the South

African fresh fruit marketing board) were courting London agencies with hefty billings as bait.

At current rates of exchange, £300m is \$714m, or a little less than J. Walter Thompson's entire Europe-wide billings for the whole of this year. In later editions the great colonial fruit bonanza was corrected to "£3m", though even that sounds much too luscious.

Buzz word

"Synergy" is a word beloved of marketing men, as in... This is a move of pure synergy, the phrase used this week by James Pidditch, chairman of Allied International Designers, to describe its acquisition of Foxvale and its subsidiaries, which include Business Decisions, the market researcher.

Synergy will do. AID was the first UK design group to go public (in February this year), while Business Decisions, whose fee income in the year to May 31 was £637,000, includes among its clients BAT Industries, Cadbury Schweppes, Plessey, TI and Unigate.

Benefits of the merger, says Pidditch, will be most immediately apparent in the areas of innovation and new product development, corporate communication, product and packaging design.

Perfect end

Not quite a better mousetrap, but a breakthrough all the same. As part of its war on the Japanese beetle, a deviant bug that dines on 300 varieties of garden plants, the J.T. Baker Chemical Company of New Jersey has produced Bag-a-Bug. Bag-a-Bug uses no poisons or hazardous sprays. Instead, it creates a sex lure with pheromones. Since the beetle is essentially blind, it depends on pheromones (external hormones) to find a mate.

The trap can be coupled to a floral lure. "What Bag-a-Bug basically says to a male Japanese beetle," says Baker, "is that there are 80,000 virgin female beetles in this huge yellow rose."

Because the bag attracts an equal number of male and female beetles, "all are assured of dying happy."

Now about this mousetrap...

Computer-written ads make their bow

COMPUTERS, commonplace on the media planning and research sides of advertising, may soon take a bow in the creative department, according to claims from the U.S. It may be a while before anyone devises a computer program capable of wrestling with poetry like "Long Life: the beer to come home to," or "Glade: the fresher air machine," but a publisher in Ohio claims to have developed a program that spits forth property advertisements said to be more effective than any that real estate brokers can write themselves.

Harold Douthitt is president of Computer Advertising and publisher of a chain of weeklies

in northern Ohio as well as Homes Illustrated, which carries real estate listings. He calls the program a "tremendous breakthrough," one that gives him "chills when I think about its implications."

Plans are underway, reports Advertising Age, to develop a similar program for used car listings that could be used by car dealers. Next in line: recruitment advertising. "It could even be used to write display ads," claims Douthitt. "Everywhere I look I see green lights."

Since breaking the "syntax code" last December, Computer Advertising has persuaded 15 real estate companies to let its computer write their ads. The

charge: \$3 an ad. The setup at present is that companies using CompuAd fill in a questionnaire that, when completed, describes a specific property's price, size, location, style, construction, proximity to public transport, etc. It is said the form takes less than a minute to complete.

The questionnaire is returned to CompuAd and the data fed into the General Electric Mark II time-sharing network. Seconds later, the computer produces a 50-to-60-word block of copy under a suitable headline.

As a demonstration of CompuAd's potential, Douthitt fed it a questionnaire on that sought-after Washington pro-

perty, the White House. Back came the headline: "Fabulous Patrician Home of Unique Charm. Washington, D.C.—18 Bedrooms—\$30,000,000." The body copy extolled the property's park-view setting, wood panelling, formal dining room, servants' quarters and 31 baths.

According to Douthitt: "Language and strategies of syntax have always been thought to be beyond the computer's capacity. Teaching the computer to 'write' is the result of extraordinary innovations in programming techniques."

Steps have been taken to ensure that each ad is "accurate, truthful and appropriate." "If you have a miserable little bovel, the computer won't let

you hype it beyond the appropriate language for that level," says one of the program's designers.

The program is shortly to be made available to real estate companies that have their own computer terminals, enabling them to feed computer-written ads direct to their local newspaper's composing room. Computer for publication next day. The cost savings envisaged are said to be considerable.

Would it work in Britain? Almost certainly, though Roddy Braithwaite, MD of London's Charles Barker Recruitment, reckons such a system to be "irrelevant" to recruitment advertising, where "matching a person to a job is a one-off task." Hey-ho...

Technical News

EDITED BY ARTHUR BENNETT AND ALAN CANE

SAFETY

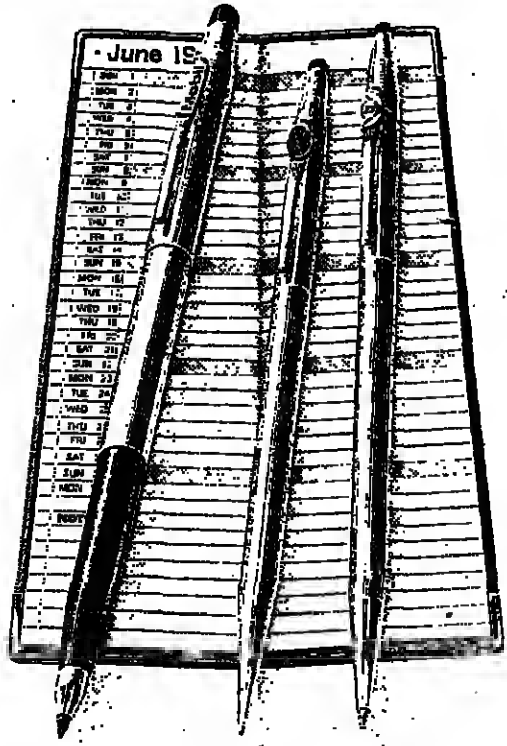
Close look at the fire

A LIGHTWEIGHT thermal camera for fire detection has been developed by English Electric Valve Company, Watlington Lane, Chelmsford, Essex (0245 84961) to enable firemen to see clearly through smoke and identify the source of a fire without delay.

The EEV battery-operated portable camera is based on the EEV P8092 Pyroelectric Vidicon.

The infra-red radiation provided penetrates smoke, and the thermal image obtained from the camera, which is sensitive to infra-red, shows up clearly in the integral view-finder/monitor. The germanium lens gives a wide viewing angle of 70 degrees.

The unit weighs 4 kg and operates continuously for one hour on one set of dry batteries.



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The neutron small-angle scattering spectrometer used at Harwell to study microscopic impurities in materials.

British neutrons for sale

A RANGE of the most powerful radiation analysis techniques developed by the Atomic Energy Authority is now available to industry.

This week the AEA's Harwell laboratory announced a new materials research service based on its materials research reactors and accelerators.

The reactors, Dido and Pluto, produce beams of neutrons, essential components of the atomic nucleus, which can be used to examine materials and their structures in a manner analogous to x-rays—the peculiar properties of the neutron beams makes possible novel analyses.

Neutron beams can be used in, for example, radiography in a fashion exactly similar to x-radiography; but the beam is attenuated by materials containing hydrogen atoms such as water or oil while passing freely through metals such as steel. It is therefore a perfect method for examining the movement of liquids within

metal structures.

In one of the most dramatic demonstrations of the technique, Harwell, in collaboration with Rolls-Royce, placed an entire aeroplane engine in the neutron beam. The movement of oil in the engine could then be followed on a television monitor screen as easily as a doctor follows the progress of barium meal in a suspected ulcer patient in conventional x-radiography.

The technique can also be used where materials such as polymers are used to fill metal cavities—the inside of a motor vehicle panel, for example.

More commonly, the technique is used for the examination of materials using diffraction and scattering techniques. This simply means bouncing a beam of neutrons off the structure under investigation and making deductions about its properties from an analysis of where the neutrons end up.

It is of particular use for studying strength of materials,

integrity of welds and the structure of biological molecules.

In addition to Dido and Pluto, Harwell expects to make available facilities on its new linear accelerator, the Linac.

It is thought that Harwell is one of the first laboratories to offer such a service. The cost of the reactors themselves is high and it has only become possible to offer a service at all because there is some over-capacity in neutron beams for pure research as a result of the new neutron beam facility built for the Science Research Council at the Rutherford Laboratory and the existing German/French/British reactor at the Institut Laue, Langevin in Grenoble.

Peter Schofield of Harwell says fees for work undertaken for industry will be individually negotiated. "It will be an expensive service, but for some kinds of analysis and quality control there is no alternative." He can be reached on 0235 24141, extension 5232.

TRANSPORT

Rail track maintenance

A RAILWAY track ballaster designed to reduce the costs of maintenance has been developed

by Dobson Hydraulics, Colwick, Nottingham. The DR Series ballaster is self-propelled, diesel-hydraulically powered and capable of moving at 18 mph.

Under normal operating conditions it is claimed to be capable of levelling and ballasting up to 300 yards of track per hour. Lifting, slewing, levelling

and packing operations are all controlled from the driver's cab.

Hydraulic vibration is claimed to facilitate fine penetration and firm compaction of the ballast. All functions have double-acting hydraulics, and a manual emergency pump allows safe retraction of all moving parts in the event of a power source failure.

DATA PROCESSING

Programs tailored to fit

A SUITE of computer programs designed for the garment manufacturing industry is now on offer from Kurt Salmon Associates (KSA).

The four programs are written to run on the Apple microcomputer but KSA says it will tailor any program to fit the needs of the customer.

The suite will be demonstrated at the Harrogate Apparel Exhibition in November.

The first of the four systems is a cost control program for payroll and labour. This is, in fact, a computerised version of the manual KSA three in one manual system which is widely used to give information on earnings, performance and lost time to operators and supervisors.

Then there is a work study data file program which includes factory loading controls and automated ticket printing using a common data base—this is the old man out of the four programs being written in Pascal while the others are in Basic. According to KSA, this means very fast operation. It also means that a change in standard times need only be entered once—all styles using that standard are automatically updated.

The other systems are production line modelling and quality control.

Each of the four systems can

be installed separately or any combination can be operated satisfactorily.

KSA is reluctant to price the systems exactly but the customer will need to buy a computer and printer—say between £3,500 and £4,000—and perhaps two lots of hardware if all four programs are to be run.

Then the cost of an individual program is between £1,000 and £1,500. The cost of setting up the system—which may involve designing a suitable control system to the customer's needs—could be £3,000. KSA is on 061-928 8423.

Taping data cheaply

THE LATEST method of storing data cheaply for small computers is the miniaturised tape cartridge.

The cartridge is about the size of a business card and 3/16th of an inch thick. Inside the cartridge is the recording tape, a Mylar based chrome dioxide and from 5 to 75 feet in length.

Just as cheap flexible recording discs for computers were called "floppies," because of the narrow gauge of the tape, the maker, Exatron Corporation of

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California, has named its new product the "stringy floppy." The cartridge is smaller, and said to be more robust than a floppy disc at only half the price. It is ten times faster than a conventional cassette storage system.

The tape is a continuous loop which is pulled from the centre of the reel, past the recording head, and then wound back on the outside of the reel at the same rate rather than the manner of an eight-track cartridge.

"Stringy Floppies" will store from 800 to 30 thousand bytes of data. The distributor in the UK, MBS Terminals, offer the system for the Tandy TRS-80 and expect soon to offer it for the Pet and Apple microcomputers.

The systems are expected to cost less than £200. While the first application of stringy floppies is expected to be in hobbyist and personal computing, there should be considerable potential in programmable instrumentation and electronics.

NOTICE OF REDEMPTION

To the Holders of

Nabisco International Finance Company

6½% Guaranteed Debentures Due 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of October 1, 1967 providing for the above Debentures, \$441,000 principal amount of said Debentures have been selected for redemption on October 1, 1980 through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

Also Debentures of \$1,000 of Prefix "M" Bearing the Following Serial Number:

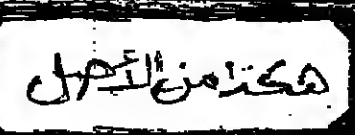
24322

On October 1, 1980, the Debentures designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as the trustee shall determine to be legal tender for the payment of public and private debts and will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Department of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws or regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London or Paris or the offices of Banque Internationale à Luxembourg S.A. in Luxembourg, Algemene Bank Nederland N.V. in Amsterdam or Banca Commerciale Italiana S.p.A. in Milan. Payment at the offices referred to in (b) above will be made by a check drawn on a bank in such City.

Coupons due October 1, 1980 should be detached and presented for payment in the usual manner. On and after October 1, 1980 interest shall cease to accrue on the Debentures herein designated for redemption.

NABISCO INTERNATIONAL FINANCE COMPANY

Dated: August 28, 1980



Thursday August 28 1980

هفتا من التحليل

North Mexico

The enormous advantages that the six states of North Mexico enjoy—from plentiful and cheap energy supplies to proximity to the U.S. market—make them a favoured area for development. Here Hugh O'Shaughnessy assesses their chances of success and on the following pages William Chislett examines their performance in detail

Poverty in the midst of plenty

FOR A developing region of the world, the north of Mexico has everything going for it. It is relatively lightly populated. It is a rapidly industrialising area with steel mills and car plants. It is on the doorstep of the largest market in the world, the U.S., and is part of the fastest growing market in the world, the Mexican market.

It has access to enormous cheap supplies of energy, oil and natural gas. Its mineral deposits are huge. It is part of a country that has shown great political stability over the past half century. And it faces on to the Pacific and the Caribbean, both teeming with fish and shrimp.

The inhabitants of the region could hardly ask for a better set of tools with which to make themselves rich and contented. In 40 per cent of Mexico's huge area live about 10m people, only some 15 per cent of the country's population.

Much of the area of the six states which make up the north of the country admittedly is desert and difficult, if not im-

possible, to cultivate for cash crops even under irrigation. Yet many prosperous farmers have demonstrated that there are big areas, presently neglected, which can bring forth crops with water and attention. The agricultural products and the industrial goods which flow from the region's farms and factories find two markets.

The primary one is the rest of Mexico, a country whose Gross National Product should rise by 8 per cent this year under the stimulus of the oil and gas and whose demand for goods is therefore booming.

The secondary one is the U.S. whose inhabitants need Mexico's farm products and who are slowly beginning to see the wisdom of buying Mexico's manufactured products and whose holiday makers swarm across the six states from the remote beaches of Lower California in the west to the sleazier delights of Matamoros on the Gulf of Mexico in the east.

As the U.S. becomes more dependent on Mexico's energy sources it is to be expected that the U.S. attitude to Mexican problems, which has in the past often been abrasive, will mellow a little and take more account of Mexico's legitimate aspiration for its northern areas.

The in-bound industries, whose situation is considered later in this survey, have already achieved special recognition from the U.S. customs authorities and both Mexico and the U.S. have benefited from the special regime accorded to them.

Were more arrangements to be made similar to those for the in-bound industries and protectionist pressures in the U.S. resisted, the six states

could take even more advantage of their geographical location.

Many Mexicans in the six northern states take comfort from the proximity of the border and on those occasions when Mexico is gripped by some passing moment of political hysteria, richer Mexicans ship out their moveable assets into backyards north of the border.

The proximity to the border also means that massive concentrations of workless people who are seen in Mexico City and in the more congested cities and states further to the

world, and many of Mexico's neighbours are wondering where the next year's oil supplies are coming from. It is a comfort for the manufacturers of Monterrey to know that not many miles away is an extremely large natural gas deposit and that natural gas is flowing through a pipeline from southern Mexico.

Some of the country's most productive oilfields are also near at hand and the oil refinery which Pemex, the state oil concern, opened last year outside the city is one of the

area of land, concentration of wealth in the hands of a small number of landowners and very low living standards for the bulk of the population appears to be as common in the north as it is in the crowded central valley of Mexico.

Nor do things appear to be much better in the industrial centres like Monterrey. The heavily industrialised and fast growing city bears the same marks of great wealth for the few and discomfort for the majority which are exhibited by Mexico's capital.

Indeed hundreds of thousands of Monterrey's inhabitants seem unable to afford many of the common household products which the city's factories turn out in such quantities. Great swathes of the city are without water, electricity or sewerage.

The polarisation of social conditions goes hand in hand with a political polarisation in which extremes of left and right seem to thrive. The city has had more than its fair share of violence and kidnappings.

In one sense the social problems of the six states cannot be attributed to the policies followed by the state and municipal authorities of the region. The six are part of a larger national unit, Mexico, and their room for manoeuvre and independent action is limited. The big decisions are made in Mexico City.

And in the states, as in the country as a whole, there runs the writ of the PRI, the Institutional Revolutionary Party, which under one name or another has ruled Mexico since the 1920s.

No Governor can rebel too openly against the Federal Government because in doing so

THE SIX STATES OF NORTH MEXICO

Name	Capital	Area sq km	Population (estimate) millions
Baja California Norte	Mexicali	70,113	1.6
Coahuila	Saltillo	151,571	1.2
Chihuahua	Chihuahua	247,087	2.2
Nuevo León	Monterrey	64,555	2
Sonora	Hermosillo	184,934	1.4
Tamaulipas	Ciudad Victoria	79,829	1.7

south are not so much of a problem in the region we are examining. The U.S. authorities' best efforts to keep out the flow of illegal immigrants into their country have never in the past been very effective and it can be doubted that, even with the introduction of the most modern electronic gadgets for the men who patrol the 2,000 mile border, they will ever be effective in the foreseeable future.

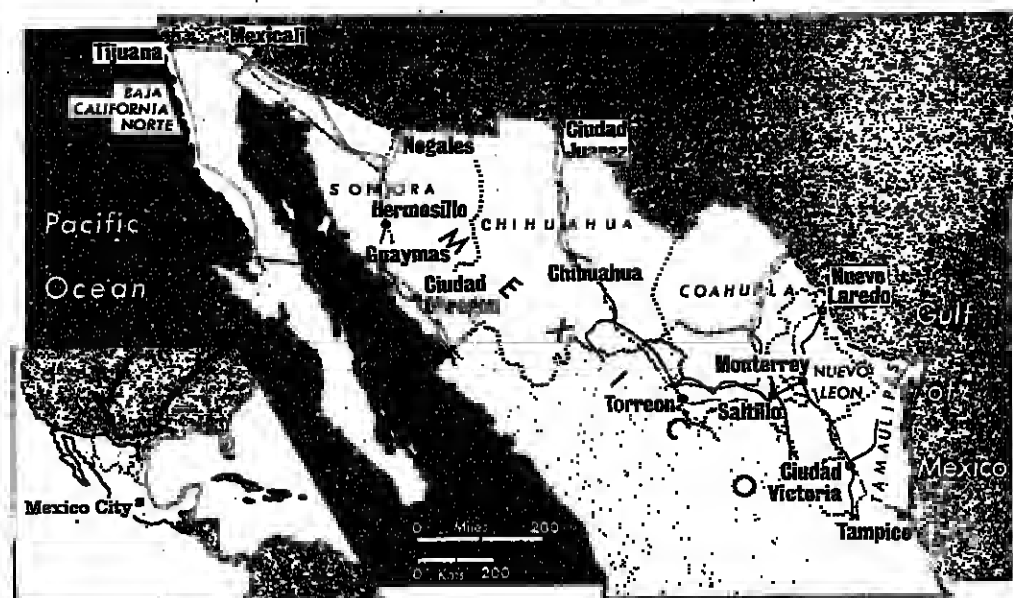
Thus there is the prospect of escape to the U.S. for those without a job serves as a safety valve for the six states when the pressure of unemployment threatens to become too great. At a time when energy prices are rising swiftly throughout

biggest and most modern in Mexico.

At hand too are coal, copper and a variety of other minerals like lead, zinc, silver and gold, necessary for the heavy industry of Monterrey and the smaller industrial centres of the region.

But despite all these advantages, and others which it would take too long to enumerate, the average inhabitant of the six states is not rich and it is an open question whether he is contented. The social imbalances which are to be found in less favoured parts of Mexico are also to be found in the north of the country.

Despite the relatively light population and the enormous

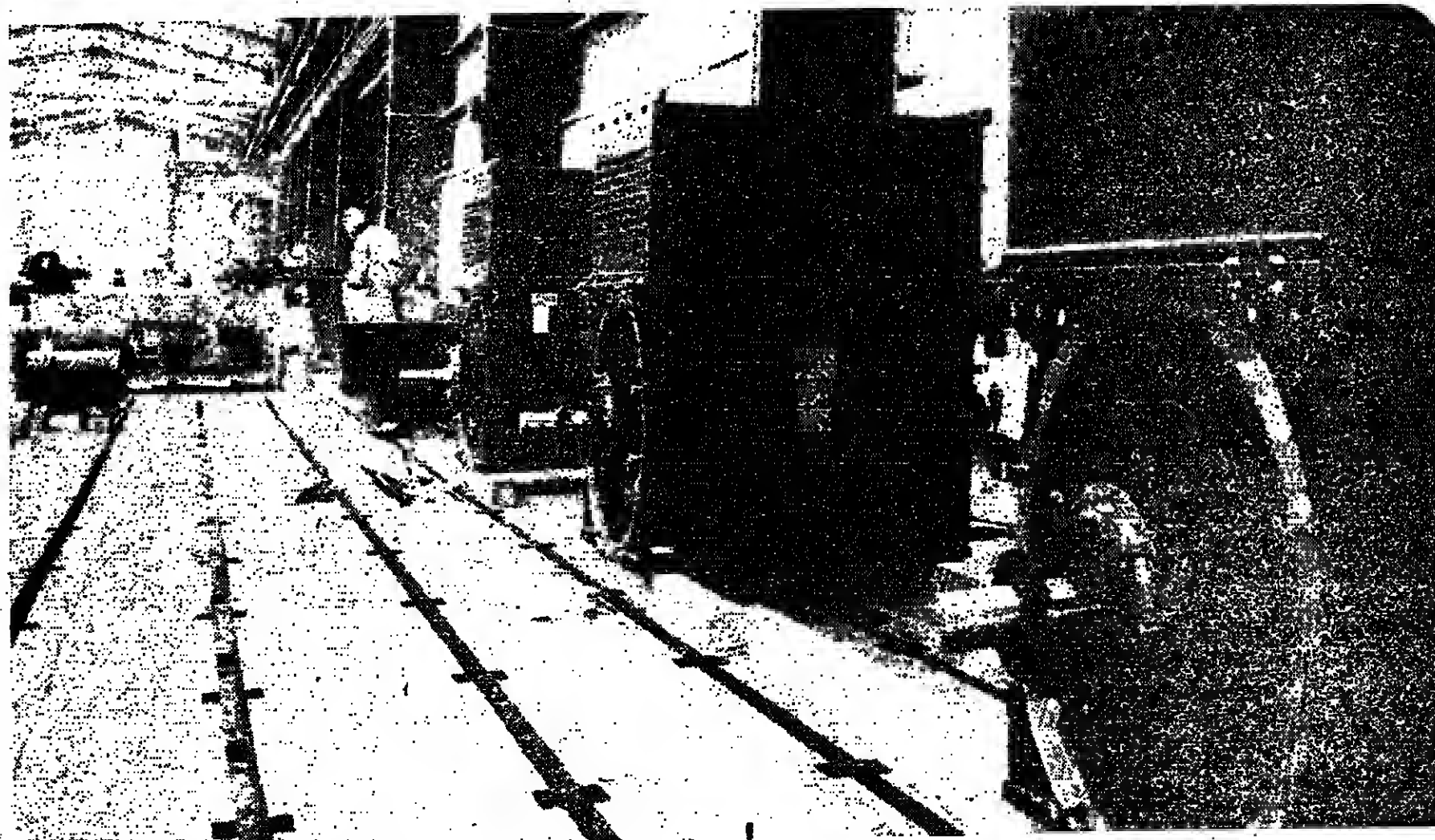


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The Giants of Tula, testimony to the Toltec culture, influential in all Mesoamerica in the 12th century.



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STRENGTH

The Toltec civilization was so strong that it extended from the center of Mexico as far as the present day border with the United States, and in the South to the Yucatan peninsula and Guatemala. The Toltecs brought to prehispanic culture a great sculptural sense and architectural vigour.

The colossal strength of what they did still seems impressive, one thousand years after it was built. This vital force, the heritage of our past, continues to inspire the Mexicans to build a vigorous Mexico in the difficult world in which we live today.

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NORTH MEXICO II

Major effort to boost Chihuahua's mining production

MEXICO'S six northern states, which border the U.S., are very rich in mining. The area produces all of the country's coal, most of its copper, barytes, lead and zinc and it is not short on gold and silver. On top of this, three of the states—Chihuahua, Nuevo Leon and Sonora—contain 96 per cent of Mexico's proven reserves of uranium.

Last year the total value of Mexico's mining production was \$1,576m, 49 per cent more than in 1978. The increase was mainly due to the soaring prices of gold and silver. Mining represents 3.5 per cent of Mexico's GDP.

Of this amount \$789m was exported, about 8 per cent of the total exports, and 54 per cent more than the 1978 mining exports. The richest mining state is Chihuahua. According to the industry ministry, in 1978 Chihuahua produced 59 per cent of Mexico's lead, 54 per cent of the zinc, 38 per cent of the iron ore, 22 per cent of the silver, 15 per cent of the fluorite, 10 per cent of the copper and 9 per cent of the gold.

Chihuahua has 4.7m tonnes of Mexico's total proven uranium reserves of 8.8m tonnes. Only 8 per cent of Mexico's vast territory has been thoroughly explored for deposits of uranium.

Just as many people believe that Mexico has far more oil than has so far been discovered—or announced—so too there is good reason to believe that the country's uranium deposits are far higher. Until recently, acid volcanic rocks were not considered as having uranium ore content. Studies, however, carried out in Chihuahua on such rocks have been promising. Mexico has several areas with acid volcanic rocks.

Chihuahua was a far more thriving mining state 100 years ago than it is now. Because many of the areas were inaccessible, except on foot or by mule, production in the state went into decline when the same minerals and metals were found in more accessible areas in other parts of the world.

This situation is now being rectified. For the past 10 years a major effort has been made to open up the isolated and mountainous Sierra Madre

Occidental in Chihuahua to boost production. About 1,250 miles of unpaved roads have been constructed in the sierra. Ten years ago it was a two-week trip from Chihuahua, the capital of the state of the same name, to the important mining village of Ocampo. Now, with a new road, the journey takes only 10 hours.

Ash content

After Chihuahua, the neighbouring state of Coahuila is the most productive. Not far from the U.S. border at Muzquiz there are the country's main coal mines and at Rio Escondido the Federal Electricity Commission is building its first coal-fired plant.

The first of four 300MW units should come into use in 1981 and the entire project be finished in 1984. The plant will use about 4.5m tonnes of coal a year and is near deposits with proven reserves of 300m tonnes. Coal in this area, however, has a high ash content and so it is not the most suitable for coking. Mexico's largest steel plant, the state mill Altos Hornos, which uses the traditional blast furnace system, is near to the coal mines at Monclova.

Mexico has to import large quantities of coal as it is hampered by the ash content and



Sr. Eloy Vallina, head of Grupo Chihuahua. The group's interests include banking and insurance as well as mining

to the fact that deposits are centred in one state. This makes transport to other parts of Mexico difficult and costly. Mexico's steel industry imported 582,000 tonnes in 1979, a 48 per cent increase over 1978.

In the State of Sonora there is the La Caridad copper mine, the world's second largest open-pit copper mine, which was inaugurated just over a year ago. The mining complex in arid, mountainous terrain is a wonder to behold. From the air, a vast, bronze-coloured mountain shimmers in the sunlight.

Mexicana de Cobre, the 44 per cent public-owned and 56 per cent private-owned company controlling the mine, spent 10 years realising the project which is planned as an integrated mill with total investment by the time all stages are finished at over \$1bn. But it is behind schedule.

The mine and mill were scheduled to be operating at full capacity of 72,000 tonnes of ore a day by February 1980. At present the operational capacity is about 45 per cent with a 70 per cent recovery factor.

The crusher-concentrator, which will produce a maximum of 1,800 tonnes of concentrate a day with between 30 and 32 per cent copper content, is also behind schedule, and construction of the smelter, refinery and molybdenum plant have not yet been started.

Mexicana de Cobre's plan required a start-up date of May 1982 for the smelter. Since the standard construction time for a smelter under optimal conditions of delivery and material availability is three years, construction should have started in May 1979. Bankers, who loaned money for the project, estimate that the whole La Caridad pro-

ject could be operating at capacity by 1985.

The mine has reserves of 680m tonnes of ore with an average purity of 0.67 per cent copper and 0.02 per cent molybdenum and will allow Mexico to move from 17th place to sixth place in world copper production. The country's demands can be satisfied with 20 per cent of production and the other 80 per cent can be exported.

The smelter will produce 180,000 tonnes of blister-type copper a year. The refinery's production capacity will be 150,000 tonnes of electrolytic copper a year and the plant for the extraction of molybdenum will produce 2,000 tonnes a year of sulphide concentrate.

Eventually, the mine's production capacity will rise to 90,000 tonnes of ore a day capacity to compensate for the decrease in ore grade without reduction in copper output.



Mexico's vast oil and mining wealth are creating increasing prosperity

In-bond industry makes rapid strides

MEXICO'S in-bond industry is centred in North Mexico and is making a valuable contribution to the country's economy. In-bond companies are assembly plants which import raw materials and parts under a liberal tax system and export the finished product.

Traditionally the Far East has been the place for such companies, mainly from the U.S. to take advantage of greatly reduced costs in become more competitive. But Mexico is fast becoming an important centre since it offers the advantages of cheap labour and generous incentives on the doorstep of the U.S.

Since employment in the country's in-bond industry has risen from 91,000 to 121,000. There are now 619 in-bond plants, mainly in textiles and electronics, and they will contribute an estimated \$1.3bn to the economy this year in value

added re-exports, compared with just over \$1bn in 1979.

According to the country's number two private bank, Banamex, the in-bond industry could generate \$10bn in foreign exchange by 1990 and employ 450,000 people.

There are many advantages to setting up an in-bond plant in Mexico as opposed to Hong Kong, Taiwan or Korea.

- A plentiful supply of low cost and efficient labour.
- Proximity to U.S. industrial centres which allows manufacturers to cope with the increasingly frequent technological, model and style changes required in many products.
- Ease of communication.

Mexico is, in many ways, the ideal country for the "twin plant concept" since there is no problem of distance. Large amounts of money can be tied up in inventory because of extended shipping times.

None of these problems, however, is likely to occur in Mexico since there is no problem of distance, at least not for U.S. companies which make up the great majority of in-bond plants.

The capital intensive side of a business remains on one side of the border and the labour intensive side takes place in Mexico, where the hourly rate, including social security for workers, 15 days' Christmas bonus and the various taxes, works out at around \$1.50—less than half the hourly rate in the U.S.

Advantage

The main advantage, however, of Mexico's in-bond industry, which was founded 14 years ago to earn foreign exchange and to combat the country's appalling unemployment, is that the raw materials for this sector of the

economy are imported completely free of duty providing that 100 per cent of the finished product is exported.

And in return for working exclusively for the export market, companies can be 100 per cent foreign owned. This is an exception to the otherwise restrictive foreign investment policy in Mexico, which limits foreign ownership to a maximum of 49 per cent. Textile in-bond companies, however, are still required to have 51 per cent Mexican capital.

Companies are also exempt from 10 per cent value added tax introduced in Mexico this year, and from Mexican immigration requirements which limit the number of foreign management and staff.

Another benefit is that when the finished goods enter the U.S. they are considered processed from U.S. products—assuming that the imports come

from the U.S.—and so they are taxed only on the basis of the value added.

Most of Mexico's in-bond plants are located at Tijuana, Mexicali, Ciudad Juarez and Nuevo Laredo. Tijuana and Mexicali are the gateways from Mexico to California, the U.S.'s richest state with a market of about 23m people and an annual average per capita income of \$8,000.

However, there are also some disadvantages since the fortunes of Mexico's in-bond plants are closely tied to the U.S. economy, as is, to a large extent, the Mexican economy as a whole.

Heavy toll

The U.S. recession of 1974-75 took a heavy toll on industry in Mexico, which after eight years of growth suddenly came to a halt. Some companies drastically cut back or shut

their operations and employment in the country's in-bond sector as a whole fell by 9,000.

The U.S. is again in a period of recession, but until its real extent is fully known its effect on Mexico cannot be judged.

If recession does really bite, U.S. protectionist pressure will then there is the prospect that grow. Already U.S. labour leaders have indicated that they would like to repeal tariff concessions which are the lifeblood of the in-bond plants—not just in Mexico but anywhere in the world.

The risks were spelled out earlier this year by Mr. Charles Vanik, chairman of the trade subcommittee of the House Ways and Means Committee, when he told a seminar in Mexico on the in-bond industry: "Combine an ailing domestic economy with a close Presidential contest and the issue of jobs takes on tremendous importance."

Border patrols' impossible task

THEY CAME over the brow of the hill, their figures silhouetted by the silvery light of the moon and their voices breaking the stillness of the night.

Down below, four members of the U.S. border patrol hid in the undergrowth of Dead Man's Canyon, about one mile across from the Mexican city of Tijuana.

Laughing and joking, the group of Mexicans, who had illegally crossed the frontier into the U.S., walked right by the border patrol. When the patrolmen sprang out, the Mexicans took off like bats out of hell. The border agents gave chase and quickly caught ten Mexicans. Other members of the group disappeared into the bushes.

The arrested Mexicans, most of them youths, then sat meekly by the side of the dusty trail. Those who wore belts had to take them off. Those without belts had to take off their shoes.

The patrolmen had run out of handcuffs, which had all been used on 20 other Mexicans arrested earlier in the night and now seated behind a nearby tree.

For 15 minutes we sat there, straining our ears and our hearts in our mouths. All we could hear were crickets and in the distance, where lights twinkled in a Mexican shanty town, the barking of dogs.

Then, suddenly, one of the patrolmen darted forward and two more Mexicans appeared.

In the space of two hours, 42 Mexicans were caught in the canyon—which is an infinitesimal part of the 2,000-mile long border between Mexico and the U.S.

Last year the border patrol made 1,069,400 arrests (988,760 were Mexicans). This works out at the rate of 122 arrests an hour. Often the same person is caught several times—the figures do not distinguish.

Nobody knows how many people crossed illegally and successfully.

The frontier is the longest and sharpest demarcation in the world between a rich, developed country and a poor developing nation. For millions of unemployed and underemployed Mexicans, the U.S. is still the new Jerusalem.

Crossing the frontier is as easy as pie. The U.S. border patrol has 2,400 men to watch the immediate area of the frontier, which works out at one patrolman every 0.33 of a mile. And less than 1 per cent of the frontier is fenced and that part presents few obstacles since the wire can be easily broken.

The flow of "illegal aliens," as they are called, across the border is now so great that the vast majority are simply de-



These Mexicans were arrested after they illegally crossed the border in a van

tained for a few hours, questioned and then put back on the Mexican side, from where they cross again.

Every single one of the 42 arrested that night in the canyon was returned by air-conditioned bus back to Mexico. It is a cat-and-mouse game.

Out of the three people, whom I watched being questioned by the border patrol after they were arrested in the canyon, none had no money at all, another had six U.S. cents and the third had 500 pesos (\$22).

They had come from southern Mexico.

Since Mexico has an unemployment and underemployment rate which is estimated at over 40 per cent, and the border is so easy to cross, the problem of illegal emigration from Mexico to the U.S. will always exist.

Turmoil

Recently there has been an upsurge in crossings by people from El Salvador which is in political turmoil. These particular people were middle class and not poverty-stricken.

But the overwhelming majority who cross the border illegally are impoverished Mexicans. Because they live in the underbelly of the world's richest nation, they feel their plight more acutely and the chance to escape their poverty presents itself more readily.

Anybody who crosses the frontier at places like Tijuana, the border's single most active crossing point (23m crossings last year), quickly becomes aware of the sudden and tremendous disparity between the two countries.

As you approach the checkpoint from Tijuana, with its dusty, rubbish-littered, potholed streets, Mexicans tout hand-crafts and other goods up and down the lines of waiting cars. Once over the frontier from

done—short of building a Berlin wall between the two countries which will hardly make for good relations between the U.S. and its important oil-rich neighbour—is to stem the flow.

As it is, the building of a few miles of fence near Tijuana has created a lot of fuss and earned the nickname of the "Tortilla curtain." Tortilla, a cornflour pancake, is a staple Mexican food.

The 66-mile stretch of frontier covered by the border patrol at San Ysidro exemplifies the problem of containing the human tide.

In this stretch, 338,681 of the total arrests of 1,069,400 were made last year. There are 553 men on duty to patrol this part of the border where one third of the crossings are made. Further inside the U.S. there is back-up support by other arms of the U.S. Immigration and Naturalisation Service.

The border patrol is now facing setbacks. In its budget, which makes the task even more difficult, it is also the butt of scorn from the Chicago groups (Mexicans who have become U.S. citizens) and the work is dangerous.

Patrolling rocky terrain on foot at the dead of night, with the certainty that the number of people illegally crossing will far outweigh the number of patrolmen, is an arduous task.

Some areas, like the canyon, have become favourite places for bandits to wait in hiding to rob those who have crossed the frontier.


Quieter

Patrolmen rarely go too close to the border line, because rocks are thrown from the Mexican side. At one notorious area, near Tijuana, it was costing the border patrol \$3,000 a month in broken windshields alone. The patrol concentrated its forces on the area one night and cleaned it up. Since then things have been quieter.

The budget cuts have led to the use of horses again. They were last used when the patrol was founded in 1924. Horse patrols are proving to be effective. Motorcycle patrols are also being introduced to cut down on fuel costs.

Work is further hampered by the 1980 U.S. census in order to get a clearer picture of immigrants there are in the U.S. Washington does not want the border patrols to inspect farms for the time being. At the same time it is an open invitation for Mexicans to cross the border and get a job on a farm.

According to Mr. Selzer, a study in his area shows that the rate of arrests is about 60 per cent successful. For every 10 caught, four are getting through.



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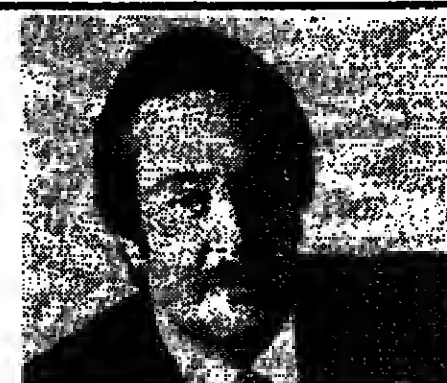
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Tiber 110-8° Piso
Mexico 5, D.F.
Tel 528 7708/528 7868
Telex 01773894

For further information contact Oliver de Baer (Assistant Managing Director) at our London office

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"We create the wealth which contributes in a decisive way to the growth of the Mexico of today and of tomorrow..."

Eloy S. Vallina
President of the Grupo Chihuahua, S. A.



BRIEF DESCRIPTION OF CHIHUAHUA

Situated in the North of the Mexican Republic, the State of Chihuahua marches for 750 kilometres with the frontier of the most important market in the World: the United States of America. On the Mexican side it borders States of remarkable resources in cattle and agriculture: Coahuila, Sonora, Durango and Sinaloa.



It lies, between latitude 26°35' and 31°47' North and longitude 103°11' and 109°7' West of the Greenwich Meridian. Just to the North of the Tropic of Cancer it is the limit of the desert zone. It is the largest State of the Mexican Republic, with approximately 245,000 square kilometres of area, equivalent to 12.6% of the total Mexican land area. The climate varies from the extremes of the desert to the sub-tropical in the foothills of the mountains, with their summer and autumn rains. In spite of the large land area it only has 12 rivers and 9 lagoons. There are 12 cities of importance, and a very large number of small towns, villages and ranches. The population of the State is 2,300,000 inhabitants, of which 67% can be defined as urban and 33% as rural. In terms of education, in spite of the geographical difficulties of communication, at least 88% of the population is literate. There are 35 radio stations, 7 television channels and 13 newspapers, which cover the State. The industrial base represents 5.1% of the national total, which can be divided up into 1.8% in manufacture and 2.7% in trade and services. In general terms it is responsible for 3.3% of the GNP.



Chihuahua is a land of natural contrasts. It is a vigilant caretaker of its colonial architecture, principally in the form of its Jesuit missions in the mountains. At the same time there is a wide range of other architectural styles, including art nouveau, baroque, plateresque and others. An example is the facade of the Cathedral of Chihuahua.

ORIGIN OF THE CHIHUAHUA GROUP

In 1934 a farsighted group of businessmen, headed by Don Eloy S. Vallina founded the Banco Comercial Mexicano in the capital of the State of Chihuahua. Basing itself on strategies which were unusual at that time such as high reinvestment of profits

and the latest administrative systems, the group grew rapidly to become one of the most important in Latin America in industry, banking, insurance, and forest products.

MEMBERS OF THE CHIHUAHUA GROUP

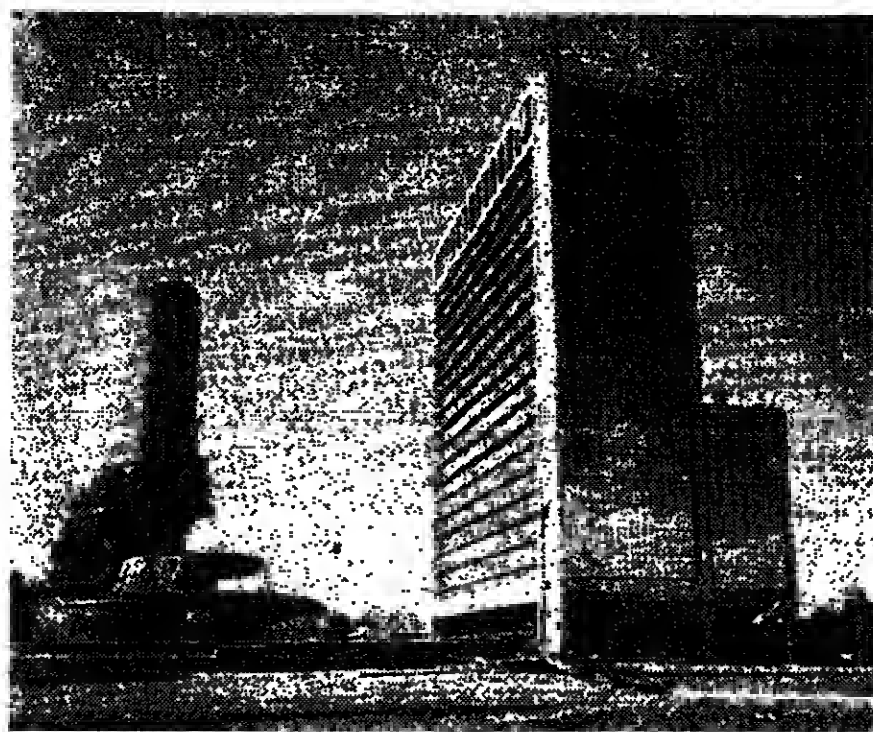
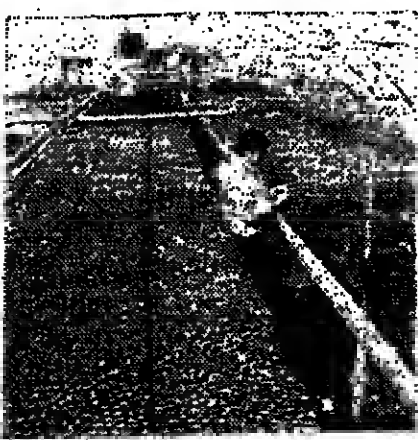
The Chihuahua Group is formed principally of local investors, headed by Don Eloy S. Vallina, the son of the founder, and members of his family, together with international partners who have contributed their technologies. Actually, the Chihuahua Group is formed of 62 companies and has minority share holdings in 11 companies. The Group manages assets superior to 2,000 million pounds, including its own resources and public invested capital. This complex structure is administered by a strategic information and control centre, Esvamex, S. C. In itself this is the corporate headquarters which establishes the administrative and political norms for the firms and institutions which make up the group. Esvamex, S. C. Esvamex, S. C. is normally the company which is responsible for reinvestment and for international associations.

FINANCIAL SECTOR

Multibanco Comermex, S. A. is the leading institution of the financial sector, and has 300 branches throughout the Republic, together with offices in the U. S. A., South America and Europe, that is in London and Madrid. It was the pioneer of the Multiple Bank in Mexico, and is one of the most important private Banks in the country, with resources of approximately 1,700 million pounds. This sector includes services in banking, finance, mortgage and trusts together with the auxiliary credit institutions. Arrendadora Comermex, S. A. (leasing), Almacénadora S. A. (raw material and machinery purchase credits), Comermex, Casa de Bolsa, S. A. (stockbrokers registered in the Mexican Stock Exchange), Multifondo de Desarrollo de Capital S. A. (Unit Trust). Multibanco Comermex has achieved the highest growth rate in the Mexican banking market in the last five years and has undergone a major administrative restructuring to bring it into line with banking systems in the United States and Europe.

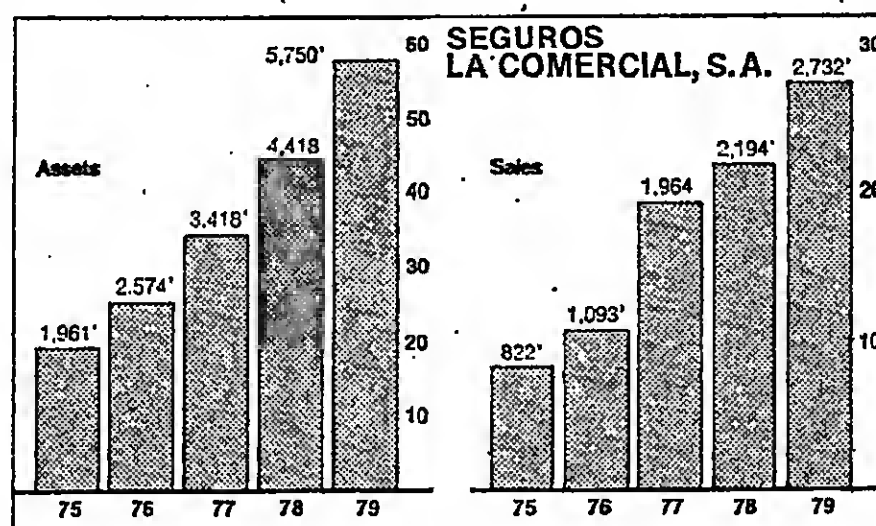
INDUSTRIAL SECTOR

The origin of this sector is to be found in the wooded areas of the State of Chihuahua, which were for a time owned by English and North American interests, but which were later purchased by the Chihuahua Group and granted as a concession by the Mexican Government. This division began in 1948, with Bosques de Chihuahua, the company which is actually developing these wooded areas together with the communal farms which grew out of the Mexican agrarian reform policies.



MULTIBANCO COMERMEX
MEXICO CITY OFFICES "PLAZA COMERMEX BUILDING"

These large forests are rich in Ponderosa Pine a variety of pine tree which only grows in the South of Arizona, in California, in Sonora and in Chihuahua. They form the base of the industrial complex Celulosa de Chihuahua, which at the present time employs 1,200 workers. In association with the local farmers and small landholders the wooded area has been considerably increased and the quality of the pines has been improved by the use of modern genetic techniques.



Among the companies which form this division, integrating a total pine processing industry, are Celulosa de Chihuahua, (producer of cellulose paste), Paneles Ponderosa (chipboard and compressed wood products), Soquimex (chemical products and resin), Papeles Ponderosa (manufacturer of cardboard).

The transport and raw material infrastructure on which this sector is based is provided by companies specializing in construction of penetration roads, transport, material handling as well as a company which selects and plants seedlings. This last company is actually cultivating more than 15 million small pine trees.

Other important industries such as Aceros de Chihuahua, S. A. form part of this division. It also supervises minority holdings of the Group in other industrial areas such as cement, bricks, ceramic asbestos products, and is also developing its participation in the growing oil and gas market together with Smith International of Mexico, which specializes in high technology items for oil production.

COMMERCIAL SECTOR

One of the principal insurance companies in the country, both in terms of tradition and of economic and technical

resources, is Seguros La Comercial, S. A. Its total assets are approximately 1,200 million pounds, and its premium income in 1979 was 550 million pounds.

The exemplary profits management of the insurance companies of the Chihuahua Group has given it an international prestige which has enabled it to open its own offices in the U. S. A., and also to acquire recently the majority of Seguros El Fenix in Puerto Rico.

The Chihuahua Group has also been one of the more dynamic organizations in the Mexican insurance market. In 1940 it founded Seguros El Sol, which was subsequently merged with Seguros La Comercial, S. A. Seguros La Comercial, S. A. is constantly developing new insurance instruments in all areas in order to keep up with the continuously changing social character of a country in full development such as Mexico.

SERVICE AREA

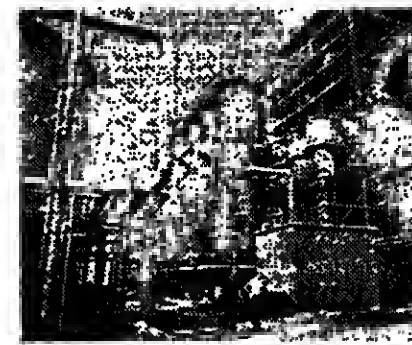
In terms of services the Chihuahua Group manages a series of support companies without losing sight of legitimate profit objectives. Amongst these companies there are two in the air transport area: Aviones de Chihuahua, S. A. and Comercial Aérea, S. A.; one in computer services: Tiempo Compartido de Chihuahua, S. A.; a company specializing in research in administrative technology: Técnica del Norte, S. A.; and other companies specialized in the bond industries situated on the frontier with the United States: Chihuahua Industrial Parks, S. A. and Maquilas Chihuahua de México, S. A. The service division features assets in excess of 140,000 pounds.

COMMERCIAL AREA

The principal company in the commercial area is Maquimex, S. A., distributors of Komatsu, Ltd. of Japan in almost half the

Mexican Republic, and of Clark, U. S. A. in the important industrial areas of México. The marketing network of Maquimex, S. A. and of Equimag, S. A., also provides the support for the sales in Mexico of the Mitsubishi aeronautic equipment and other complementary lines.

The distributors of the machinery sector form one of the best placed commercial networks in Mexico. Recently they have extended to cover the new oil areas of the South-East of the country, with the construction of new exhibition areas, sales organizations and maintenance workshops. Arrendadora Comercial, S. A. forms a part of this sector, covering, leasing of fleets and equipment. It also handles the real estate holdings of the Chihuahua Group.



INTERNATIONAL DEPARTMENT

The Chihuahua Group has extremely high standards in terms of its international associations, both for investment and for technology. For example, international partners are: Bank of America (Calif.) in Arrendadora Comermex, S. A. American Express (New York) in Arrendadora Comercial, S. A. de C. V. Formol y Derivados (Spain) in Soquimex, S. A. Hercules Chemical (U.S.A.) in Quimpro, S. A. Smith International (Calif.) in Sider, S. A. Corporación Financiera Internacional (World Bank) in Papeles Ponderosa, S. A. Hilton Int. (New York) in Comermex-Hilton, S. A. Ralston Purina (Calif.) in Pescatún, S. A. Derivados Forestales (Spain) in Paneles Ponderosa, S. A. Volkswagen Int. (Germany) in Volkswagen Leasing, S. A.



INTERNATIONAL OPERATIONS

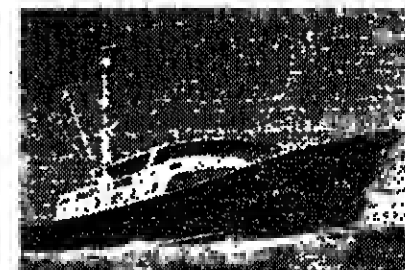
The Chihuahua Group, in its three main sectors, has offices in different countries and can be called one of the Mexican organizations with the greatest world coverage. In the above map are to be found the cities with offices of the Chihuahua Group:

El Paso, Norteexport New York, Multibanco Comermex Los Angeles, Seguros La Comercial Los Angeles, Multibanco Comermex Denver, Ponderosa Industrial, Chicago, Seguros La Comercial, Madrid, Multibanco Comermex, London, Multibanco Comermex, Sao Paulo, Multibanco Comermex.



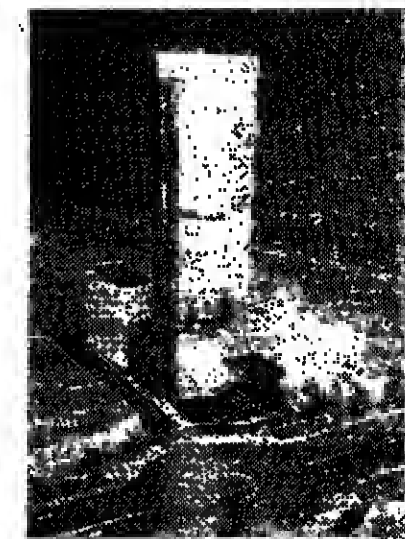
NEW BUSINESS

The Chihuahua Group can be characterised as being in a state of continuous development. It promotes both on its own and with partners new businesses in which it detects good investment possibilities. Relying on thorough preliminary studies it only enters those markets where it considers that there are possibilities of obtaining a leadership position in a relatively short time, and where it feels it has the necessary experience in its own administrative and industrial technology.



INVESTMENTS IN FISHING

In July of 1980 Pescatún, S. A. began operations. This is an international joint venture, with the majority held by the Chihuahua Group. The company is at present using 10 deep draft tuna boats, ranging from 1,000 to 1,700 tons capacity. The fleet is assisted by one helicopter for every 2 boats, to spot the tuna shoals in migration, which have first been located by satellite and then passed to the units by conventional communication systems. Pescatún S. A. will help to improve the scientific development of the sea and will practically double Mexico's share in the capture of tuna. 80% of the catch will be exported to the United States.



PARTICIPATION IN TOURISM

Comermex-Hilton will begin this year the construction of a chain of 5-star Hilton hotels in the areas of major demand in Mexico, which are Acapulco, Cancún, Mexico City and Chihuahua, amongst others.

These real estate investments, as well as being funded by capital from both partners, also give the opportunity to local shareholders to take advantage of these opportunities. The project includes also a 5-star operating unit for the Comermex-Hilton chain, a second unit for a 3-star hotel chain, both of which companies include training programs using the latest European and North American technology.

For more information on the Chihuahua Group please write to:

Grupo Chihuahua

Grupo Chihuahua, S. A. (Head Office), Calle 3a No. 803, Chihuahua, Chih. Mexico; or
Grupo Chihuahua, S. A. Plaza Comermex, Piso 19, México 10, D. F.



NORTH MEXICO IV

Chihuahua: a thriving role in national economy

ONE DAY, some years ago in Chihuahua, Mexico's largest and least-populated state, an elderly, poorly-dressed couple walked into a bank in the state's capital. A bank clerk, thinking that they had come to beg, took pity on them and gave them some money. Whereupon the surprised husband dumped the bag he was carrying on the counter and proceeded to deposit 2m pesos.

The story is typical of Chihuahua's deceptive appearance. To most Mexicans, Chihuahua is a poor state which produces little else apart from the country's most tasty steaks, timber, apples, cheese and minerals. And to foreigners, if they have heard of the state at all it is because it is synonymous with the little Chihuahua dogs.

Chihuahua produces a lot more than meat and dogs; the latter have in fact disappeared from their homeland. (The people of Chihuahua are amused by foreigners who come to the state expecting to see the tiny dog roaming the streets.) Chihuahua is Mexico's main producer of iron-ore, zinc and lead; it also produces copper, silver and fluorine and the state has Mexico's largest deposits of uranium. According to a local story, uranium for the first atomic bomb came from Chihuahua.

Ponderosa Industrial makes extensive use of the state's Ponderosa pine forests, the largest in Latin America, for pulp, plywood, particle board and other products and one third of Mexico's "in-bond" companies are located in the state.

And the bank where the couple deposited their 2m pesos has grown to become Multibanco Comermex, Mexico's fourth-largest private bank. The bank, along with Ponderosa Industrial, make up the holding company known as Grupo Chihuahua, which is a fast-growing industrial group with a powerful role in the Mexican economy. The economy of Chihuahua, which occupies 12.6 per cent of Mexico's territory and has a population of about 2.2m, traditionally has been based on its long history of mining, lumbering and cattle. Together these three sectors employ more than 40 per cent of the labour

force and produce a good third of the state's GDP.

There are more than 4,000 ranches in the state where Mexico's best Hereford, Angus and Brangus cattle are raised. Pine forests cover 17.5m acres. Mines are scattered about, but they have gone into decline because of the cost and difficulty of opening up the mountainous isolated areas.

The main thrust of Chihuahua's economy now comes from the Grupo Chihuahua, which, including its banking and insurance activities, employs more than 12,000 people. The story of the holding company illustrates the hard work and enterprise for which the state is famed.

Persuaded

The seeds of Grupo Chihuahua were planted on December 31, 1933 in the state capital's casino (the capital is also called Chihuahua). Sr. Eloy Vallina, a local businessman who emigrated to Mexico from Spain, persuaded his friends amid the New Year's Eve festivities to help him start a bank.

Soon Banco Comercial Mexicano was founded with a capital of 300,000 pesos; later it opened offices around Mexico and an insurance company was started. Seguros La Comercial, which today is Mexico's second largest, in 1946 the Vallina family branched out into industry by buying the Mexico North West Railroad Company and its pine forest covered land.

In 1953 the tiny village of Anahuac was chosen as the site for three companies, one of which was closed down several years ago. Celulosa de Chihuahua is Mexico's largest producer of pulp and Plywood Ponderosa of plywood.

Anahuac was a barren, inhospitable, all but unpopulated place, but it had the advantage of having a lake and being on the rail route to the pine forests. Today, Anahuac has grown to over 10,000 with life centred around the Grupo Chihuahua. The adobe houses have given way to small bungalows for workers; there is a cinema, church, shops and other amenities.

Apart from being Mexico's main producer of pulp and plywood, Ponderosa Industrial also leads the country's market in particle board and folding box board. It also produces pine

oil, resins and mouldings and has a steel plant with an annual capacity of 90,000 tonnes.

Most of the companies are based in Chihuahua, which by virtue of its proximity to the U.S. makes exporting to Mexico's northern neighbour much easier. Last year Ponderosa Industrial's exports were worth 136.4m pesos (\$6m); 62.5m pesos less than in 1978 because of a shrinking U.S. market, with recession, and greatly increased demand in Mexico where the economy is booming.

The net profit increased 29 per cent to 202.1m pesos (\$8.9m) on sales of 2.2bn pesos (\$97.3m), a 38 per cent rise over 1978.

The financial arm of the Grupo Chihuahua has been equally successful. Multibanco Comermex, which in 1977 was the first bank to take advantage of the country's new banking law and transform itself into a multiple service bank, reported a net profit in 1979 of \$22.5m.

The bank's deposits increased by \$81.6m, 47 per cent more than 1978, to a total of \$2.6bn (\$16.5m). Comermex handled just over 10 per cent of the total new deposits received by Mexico's private and mixed-capital banks.

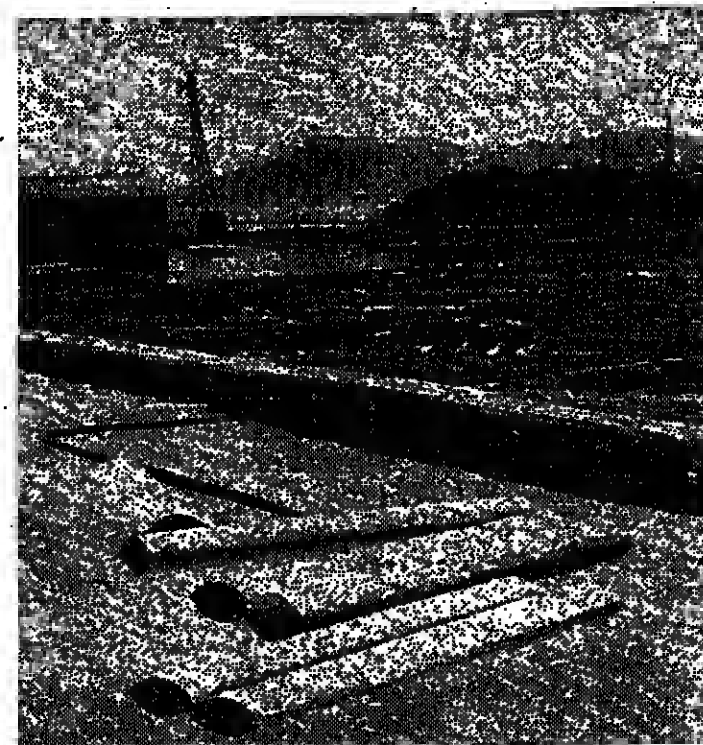
In common with other Mexican holding companies, Grupo Chihuahua has adopted a paternalistic approach to labour relations, but not as much as its colleagues in Monterrey in the state of Nuevo Leon.

Apart from very cheap housing for its workers in Anahuac—rents are as low as 125 pesos (\$5.5) a month—there is also free water and electricity schools for workers' children, sports facilities and the company pays its employees' entire state social security contribution. Usually the contribution is divided between the employer and employee.

But the unions within Ponderosa Industrial are affiliated to the Mexican Confederation of Workers (CTM) and are not "independently" run as they are in Monterrey where the power of the CTM, the backbone of the 50-year ruling Institutional Party, has been eclipsed.

Also, like other Mexican holding companies, Grupo Chihuahua is taking advantage of the current, oil-fuelled economic boom in the country, to diversify its activities more.

In October construction is ex-



Logs from Chihuahua's pine forests are brought for processing to Plywood Ponderosa, part of the Grupo Chihuahua

pected to start on a 300-room five star Hilton Hotel in the state capital. The \$75m pesos (\$16.5m) project is being financed by Comermex, which is heavily tapping Fonatur, the Government's tourism development fund. Hilton has the management contract.

Tourism plays a significant part in the economy of Chihuahua. Last year 12.2m people visited the state from the U.S., generally for a couple of hours over the weekend. They spent 3.3bn pesos (\$146m). On top of this "harder" tourism, 1.7m people mainly Mexicans from other states, visited Chihuahua.

Outside the Grupo Chihuahua, other activities are being promoted by the Chihuahua Economic Development Council, which is a predominantly private sector body.

The problem now, says Sr. Eugenio Villareal, the council's head, is that development in Chihuahua is taking place faster than expected. In order to avoid the pitfalls of accelerated growth—bottlenecks, upsetting patterns of rural society and making the state into too attractive a magnet for migration from other poorer states—the council intends to concentrate more on the quality of new jobs than the quantity.

Sonora aids food supply

SONORA IS Mexico's most agriculturally productive state and since agriculture is the Achilles Heel of the Mexican economy the state's importance in national terms is vital. Indeed, were it not for the state's productivity, Mexico would probably be facing food riots this year because the agricultural situation is in even more dire straits.

North Mexico especially has been exceptionally hard-hit this year by drought. This lack of rain coupled with the perennial issues of inefficient use of land, lack of funds and a general neglect of agriculture is causing food production to fall to such an extent that imports of cereals could be as high as three times last year's imports of 3.7m tonnes.

However, although Sonora has been seriously affected by the drought, it is still pulling its weight. This is because 97 per cent of the state's arable land is irrigated and so it is a far better condition to weather a drought.

Sonora (population 1.6m) has always been, like all the other northern states, a very dry state. This year the weather has been drier than normal. But work was started over 20 years ago to exploit the large Yaqui river and create irrigated valleys.

The largest is in the Yaqui Valley in the southern part of the state and covers an area of 225,000 hectares.

Out of the state's total arable land of 680,231 hectares — a

mere 3.7 per cent of Sonora's vast territory—874,231 hectares are irrigated and 16,000 rain fed. And work is going ahead to bring a further 60,000 hectares into the irrigated system in the Yaqui Valley.

Flying over the valley is a soothing experience since the land is most untypically Mexican. It is not barren and arid but a patchwork of greens and yellows with canals criss-crossing the land, and modern machinery in use.

Sonora produces in volume 57 per cent of Mexico's chick peas, 49 per cent of the wheat, 34 per cent of the saffron, 23 per cent of the cotton and 24 per cent of the soybeans. More recently, with diversification into new crops, it produces 33 per cent of the country's grapes.

The state also has many ranches, which produce along with the neighbouring state of Chihuahua Mexico's finest meat, and its Pacific coast is a rich fishing ground.

Apart from fishing and agriculture, Sonora is also rich in mining. The copper mine La Caridad is the world's second largest open cast copper mine.

The state also has a flourishing in bond sector with 75 assembly plants employing 18,000 people. Most of the in bond plants are at Nogales near the U.S. border.

Tourism too, is being promoted, particularly at San Carlos near Guaymas where in 1977 32.5m pesos (\$1.4m) was invested in a country club with a staff of 400 people.

Incentives help Baja

THE STATE of Baja California Norte (population 1.6m) is the gateway to Mexico for the great majority of tourists from the U.S. Every weekend there is a mass exodus from California across the border at places like Tijuana as families head for the beaches along the magnificent motorway carved into the rock along the Pacific coast.

At the same time, thousands of poor Mexicans are also trying to cross the frontier, but not to bronze themselves on a U.S. beach and certainly not through one of the checkpoints. More Mexicans cross the border illegally from Baja California Norte than from any of the other five states which share a frontier with the U.S.

The two flows, going in opposite directions, with one motivated by pleasure and the other by the sheer necessity of finding a job, illustrate the two sides of the coin in Baja California Norte.

On the one hand the state, with its miles of beaches and cheaper cost of living, is a tourists' pleasure ground, and on the other there are many Mexicans who cannot scratch a living and are driven to the state as a route to the U.S.

Tourism is the principal source of income in Baja California Norte. The true picture, however, is impossible to ascertain since the Mexican tourism industry's statistics are highly misleading.

Duties

According to the tourism ministry, 23m tourists spent 10bn pesos (\$442.4m) last year in Tijuana.

The state is also becoming a growing centre for manufacturing industries, particularly those which fall under the category of "in bond" (see separate story). These industries are allowed to import completely free of duties if they guarantee to export 100 per cent of their production.

There are 204 in-bond plants in the state, employing a total of 16,400 people, most of them in clothing and electronics.

The Government is encouraging development in the state, which for a long time was neglected. Now it enjoys more advantages and incentives than any other state in Mexico.

The area is a free port zone; the Value Added Tax is charged at 6 per cent and not 10 per cent as it is in most of the rest of Mexico, and the state figures

highly in the national industrial development plan.

This plan gives generous fiscal and other incentives to lure industries out of overcrowded industrial centres such as Mexico City and Monterrey.

The state's proximity to the U.S. has caused Baja California Norte to grow at an alarming rate over the last 20 years. Tijuana's population has grown officially from 163,690 in 1960 to an estimated 800,000 now. The 1980 census could well show that the city's population is nearer the million mark.

Bursting

As a rule of thumb it is estimated that of the 1,000 to 1,500 people a day who arrive in Tijuana, one third manage to cross the border successfully.

Tijuana is twice the size of Mexico City, the state's capital, which is further along the frontier and not so advantageously placed either for tourism or illegal crossings.

The centre of Tijuana is bursting with handicraft shops and the dirty side streets are full of seedy girlie bars. Ponies, painted with black and white stripes to make them look like zebras, are stationed along the main street, Avenida Revolución. They stand in front of gaily-painted mock wagons that have themselves photographed for posterity.

Near Tijuana's International airport an industrial park is being built under the auspices of National Financiera, the Government's development bank. Bulldozers are levelling the ground.

The latest company to open in the park is the Japanese electronics giant, Matsushita, in June. It has an in bond plant which serves the U.S. market. Japanese companies are showing increasing interest in the state and Honda may establish itself in Baja California Norte.

The state is an ideal launch-point for the vast market of California.

The state's development council advertises itself with a lorry marked "export" bursting through a bottle. Baja California Norte is also rich in fishing and the Morelos dam on the upper reaches of the Colorado river has turned the Mexicali valley into a major agricultural area for cotton and wheat.



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مكتبة المستقبل

NORTH MEXICO V

هكزا من الشمال

Monterrey: hive of private enterprise

MONTERREY IS the hive of Mexico's private enterprise and it is a city which hums with business. About 7 per cent of Mexico's GDP is produced from the city's metropolitan area (population 2m). The activities include producing one-third of the country's steel; most of Mexico's secondary petrochemicals; billions of cigarettes; vast quantities of beer; thousands of tonnes of biscuits; about 2m tonnes of cement a year; capital goods; acres of sheep and fine glass; and plastic products. There are also numerous banks.

Most of these activities are in the hands of half a dozen holding companies or "grupos" as they are called in Mexico. They have established an immense empire which now stretches far beyond the limits of the parched, ugly city to most parts of Mexico.

If the non-Monterrey-based interests of the holding companies are included, then Monterrey's contribution to economic output is probably nearer 10 per cent.

Monterrey kills most myths about Mexico. It is a world of its own. While Mexico City, the country's capital, bustles with bloated bureaucracy, political gossip and State enterprises like Pemex, the oil monopoly, whose efficiency is open to question, Monterrey prides itself on being an efficient profit-making machine.

Life is different in the northern capital. The streets of Monterrey are cleaner; policemen wear neatly-pressed khaki uniforms; people are far more punctual for appointments and, despite the reputation for hard work, many shops close at lunchtime. The U.S. border is only 100 miles away and the influence of the northern neighbour is keenly felt.

The climate is harsh and an unpleasant, yellow cloud of smog, formed by fumes from the steel mills and petrol chemical plants, hangs over the city. Executives work in air conditioned offices with the curtains drawn against their windows. The top executives are heavily guarded at home and at work.

Monterrey's industrial roots date from the founding of a brewery, Cerveceria Cuauhtémoc, in 1890 by the Garza and Sada families. The beer quickly became famous—winning international prizes—and related industries were set up. Plants to supply bottles and cardboard shipping cartons were established and also a

steel mill, Hysa (Hojalata y Laminas, Sociedad Anonima). After the murder in 1973 of the patriarch Sr. Eugenio Garza Sada, his assets were divided up among the families.

Grupo Alfa, formed in 1974, is the giant which rules the roost. It controls Hysa, which has patented a world-famous process for the production of steel by direct reduction of ores.

It is Mexico's leading private steel mill with production last year of 1.5m tonnes. Monterrey's other steel mill, Fundidora, is now State-run and in 1979 produced 888,000 tonnes.

Alfa also has a paper and packaging division, fibres, petrochemicals, mines, consumer goods—mainly televisions and domestic electronic appliances—and capital goods such as induction motors and alternating current generators. Recently it has diversified away from heavy and light industry into tourism and food.

Partners

Alfa's foreign partners, either in the use of technology or in joint venture, include BASF, the West German chemicals organisation, Dupont, in the field of synthetic fibres, Hitachi, for motors, and Ford. Alfa's assets last year totalled 52.9bn pesos (\$2.9bn).

Then there is Grupo Vitro (formerly Grupo FIC), which has grown out of the glass-making interests of the founding fathers. Apart from producing float glass in association with Pilkington of St. Helens, Vitro turns out plastic containers, machines and also owns mines. Banpais, Mexico's eighth largest private bank, is part of the group.

Another holding company, Visa (Valores Industriales Sociedad Anonima) is the financial muscle of Monterrey. Visa has Banca Serfin, the country's third largest private bank, in its orbit as well as the Cuauhtémoc brewery and companies which make animal feeds and building materials.

Finally there is Cydsa which concentrates on fibres, plastics, films and chemicals. There are 10 other smaller holding companies, but these are the most important ones. There is a predominance of the surnames Garza and Sada, among the directors of each company.

However, while it is true that they are four separate units, they do very much interlock and

so in the public's eye are blurred into one massive empire.

The network of the families, which have inter-married as intricate and labyrinthine as a maze. Many streets in Monterrey are named after Garzas and Sadas and the surnames also figure on the boards of directors of companies outside Monterrey.

For example, Sr. Bernardo Garza Sada, who heads Alfa, is also a director of Grupo Industrial Saltillo, another holding company in the nearby growing industrial town of Saltillo in the neighbouring state of Coahuila.

Sr. Garza Sada is a member too, of the board of directors of Grupo Chihuahua in the state of Chihuahua. Sr. Eloy Vallina, the head of this holding company which has in its sphere Multibanco Comertex, the country's fourth-largest private bank, and is Mexico's main producer of pulp and plywood, is Sr. Garza Sada's cousin.

Monterrey is now a centre of very diversified industrial production. There is hardly a pie in which one of the groups does not have a finger and the range of interests is broadening every year.

For example, Cydsa, in a move away from its dominance in the chemicals field, announced in June that it had agreed a joint venture with the U.S. company Caterpillar Tractor, to produce machinery for the construction and mining sectors.

Alfa began another new venture this year when it bought a number of food-processing and packaging companies along with ranches and slaughterhouses in nine

states. In one fell swoop Alfa moved into the food sector. Its five processed meat plants have a total annual production of 42,500 tonnes, 24 per cent of the national total. Alfa is also operating in the vegetable oil market.

In another recent move, Alfa obtained permission from the Industry Ministry to establish 13 petrochemical plants at the port of Tampico on the Mexican gulf coast in the state of Tamaulipas.

Tampico is one of the Government's four planned industrial port areas where attractive fiscal incentives are being given to encourage industry to decentralise from congested Mexico City and Monterrey, places which no longer enjoy many tax benefits.

Alfa also this year bought Acermax, a motorcycle manufacturer and, with Yamaha technology, will transform the company to boost production of motorcycles from 18,000 a year to 100,000. The revamped company will employ 5,000 people.

Potential

Alfa, in particular, has been quick to spot the enormous consumer potential of the Mexican market. The present oil-fuelled economic boom will undoubtedly raise people's purchasing power.

Of its total assets of 52.9bn pesos, 14 per cent come from the original companies, such as Hysa: 26 per cent from growth through acquisitions and 60 per cent from internal growth—i.e., investing heavily in the new ventures.

All this gives Monterrey, and

in particular the families, vast power in Mexico. Not surprisingly this has led to a sometimes fraught relationship with the central Government in Mexico City.

Alfa's map at the back of its 1979 annual report, which shows Mexico dotted with the holding company's emblem, is a symbol of how the tentacles of Monterrey are reaching to the farthest corners of the country.

One of Mexico's finest museums is also in Alfa's hands (exhibited in the Guatemalteco brewery). The groups also help to finance the Monterrey Technological Institute, probably Mexico's best centre of learning, and Alfa has a 25 per cent stake in Televisa, a group of 43 companies involved in television and radio broadcasting, publishing and the cinema.

All this has made two capitals in Mexico—Mexico City, the seat of Government, and Monterrey, the bastion of the private sector.

Relations between the two sides are now back on a firm footing after a bad patch under the last governor of the state of Nuevo Leon, of which

Monterrey is the capital. Sr. Pedro Zorilla Martinez, Mexico City's nominee, owed his allegiance to Sr. Luis Echeverria, the previous president, who became the hero of Monterrey's entrepreneurs because of his populist style of government.

Sr. Zorilla Martinez was isolated by the groups who snubbed him in public. This continued after Sr. Echeverria left office in 1976 and was replaced by the more conservative, pro-business presi-

dent, Sr. Jose Lopez Portillo. Sr. Zorilla Martinez had two years more to serve since the term of office of state governors overlaps the Presidential periods.

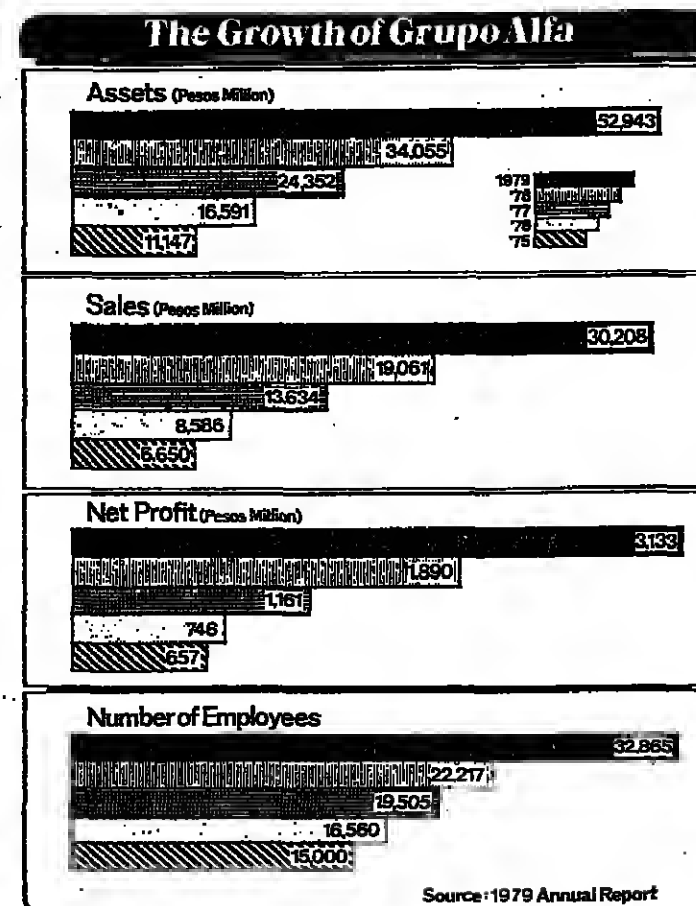
When the Duke of Kent went to Monterrey in 1978, protocol at that time would not permit state and industrial authorities to attend the same occasion. Two receptions therefore had to be held.

Now, however, under the new Governor Sr. Alfonso Martinez Dominguez, the captains of industry feel that they have a politician who has their interests more at heart. When Mr. Cecil Parkinson, the British Minister of State for Trade, visited Monterrey last year, Sr. Martinez Dominguez put on a glittering display which brought the private and public sectors together.

It is generally accepted that the last elections for governor in Nuevo Leon were among the dirtiest in Mexico for a long time. According to local journalists, members of the PRI went to voting booths with wads of voting forms marked in favour of the PRI and deposited them in the urns.

Unlike his predecessor, Sr. Martinez Dominguez has not had to seek his power base in the Confederation of Mexican Workers (CTM), the main union and strongest sector of the PRI. The CTM does not have very much power in Monterrey because it was long ago eclipsed by the so-called "sindicatos independientes" (plant unions).

Such is the influence of the private sector in Monterrey that the unions are also in their pocket. These unions are highly paternalistic. They offer employees far better conditions than the CTM in return for



loyalty, hard work and alcoholism from politics.

The industrial barons have devoted a lot of time and money to cultivating labour relations and it has paid off. Monterrey's strike record is the best in Mexico.

There are schools for the children of workers, clinics, sports facilities; cultural activities and Alfa has a marvellous planetarium. The CTM does look paltry in comparison.

The holding companies can afford to be choosy about whom they employ since Monterrey has become a magnet for the

vast pool of unemployed.

The city has become a stronger magnet in the last two years. The expansion of the holding companies in Monterrey, fired by the country's oil wealth, is such that, according to a study by Alfa, hardcore unemployment in the area has fallen from a high of 10.4 per cent in the middle of 1977 to 5.8 per cent at the beginning of 1979.

After the 45 per cent devaluation of the peso in August, 1976, which forced companies to shed labour and stall expansion plans, unemployment rose sharply.

Industries come to Saltillo

A NEW industrial centre is quickly growing up in Saltillo, in the state of Coahuila, 50 miles from the business stronghold of Monterrey. Chrysler and General Motors are building giant plants and the core of the town, the holding company Grupo Industrial Saltillo (GIS), is expanding.

The town, which is the capital of the state, is set on a dry plain against a backdrop of dramatically shaped mountains. It is well placed for the U.S. export market, which both Chrysler and General Motors will supply and, being so near to Monterrey, it has a ready source of raw materials and labour on its doorstep.

According to a study carried out by GIS, industrial growth in Saltillo over the next 20 years will cause the town's population and that of the surrounding area to increase from 300,000 to 1m.

The two U.S. motor companies, for example, will create several thousand new jobs between them when they come into operation in 1983. Chrysler will make engines and General Motors vehicles.

Such expansion will put a tremendous strain on the town. Unless services like decent housing, running water and electricity are catered for, at the same time as the industrial



A worker at the Cifusa engine block plant, Latin America's largest

expansion takes place, then Saltillo will go the way of its congested neighbour Monterrey.

At the moment Saltillo is a fairly quiet town with clean air and few of the miserable dwellings which have proliferated in Monterrey. The state authorities say that the mistakes of Monterrey have been learned and long-term urban planning is being carried out. Saltillo owes its place on

Mexico's industrial map to GIS, which started life in 1914 as a small iron foundry. Today GIS employs 11,000 people (out of Saltillo's total labour force of about 40,000) and made a net profit in 1978 (latest figures) of 250m pesos (\$15.3m) on sales of 3.4bn pesos (\$180.4m).

It has the world's sixth largest motor block plant (Cifusa) and also makes motorcycles, filters, bathroom fixtures, floor tiles, and enamelled kitchenware. GIS is building a plant to produce automatic washing machines and with the West German company, Metallgesellschaft, will produce pistons. With John Deere, it is studying the idea of a joint venture to make tractors.

GIS's total assets in 1978 were 3.7bn pesos (\$163.7m). Investment over the next three years is estimated at 8bn pesos (\$265.4m). Cifusa's output will be expanded to 1.2m units a year to enable it to supply Chrysler and General Motors.

The presence in Saltillo of these two car giants has made the local people refer to the town as "Mexico's Detroit." Ford is understood to be also interested in establishing itself in Saltillo.

Car companies in Mexico now have to export a greater proportion of their output to meet the Government's requirements that imports for the car industry be offset by exports. This can be done either by increasing exports, which is what is happening, or by the companies buying more car components in Mexico. This means establishing joint ventures.

Saltillo already receives natural gas and a new pipeline is nearing completion to increase supply.

Settlements reveal price of expansion

NORTH MEXICO'S rapid industrial expansion, particularly in Monterrey, has brought in its wake immense social problems like "Tierra y Libertad" (Land and Freedom), a large settlement where more than 3,000 families are crowded together on parched ground in squalid, insanitary conditions.

Tierra y Libertad—the famous battlecry of Emiliano Zapata during the 1910 revolution which overthrew the conservative Porfirio Diaz dictatorship—is only a stone's throw from Monterrey's rubbish depot.

The pungent smell of rubbish wafts across the settlement where barefoot children, some naked, play in the dust-strewn streets. The wind blows fiercely at times and scatters the dust, leaving your mouth parched.

Tierra y Libertad illustrates graphically the sordid side of Mexico's industrial life.

As cities like Monterrey have expanded and offered job opportunities to Mexico's vast pool of unemployed and underemployed, so more and more people have left the impoverished countryside for the cities.

But, since the demand for work is far greater than the offer of jobs, thousands have had their ambitions frustrated. Many cannot be employed in Monterrey's industries anyway because they lack the necessary skills.

Instead of returning to their village homes, they have stayed put in the hope that one day there will be a full time job for them.

More scope

And even if there isn't, many are still better off because there is more scope for the traditional activities of the underemployed in a city than in the countryside: cleaning shoes, washing cars and selling chewing gum, for example.

As a result families have invaded land and settlements like Tierra y Libertad, on the outskirts of Monterrey, have sprung up.

It is estimated that perhaps as many as 400,000 people, out of a population of 2m in the Monterrey metropolitan area live in an "irregular" situation. This ranges from Tierra y Libertad to smaller "lost cities" as they are called.

Tierra y Libertad is a special case, however, because it is run on the lines of a commune. Its founders were students in the medicine and economics departments of the University of Nuevo Leon, who were involved in the 1968 student movement in Mexico.

The massacre by Army troops of Mexican students for anti-government activities on the eve of the Olympic Games in Mexico City in 1968 was a turning point for Mexico.

Tempting offers

Guerrilla groups sprang up. The ruling Institutional Revolutionary Party (PRI), sucked potential troublemakers into the PRI with tempting offers of work.

In Monterrey, however, a group of students channelled their energies into founding Tierra y Libertad. At that time migration to Monterrey was at its peak.

Despite its grim appearance, conditions at the settlement are much better than in other settlements. Tierra y Libertad has its own school, named after Zapata. There is a picture of him on the school wall carrying a rifle. There is also a clinic.

Electricity is tapped illegally from nearby pylons and there are collective water taps. A fleet of vans takes people to the centre of Monterrey.

Every decision which affects the community is put to a weekly general assembly, including whether to allow in journalists.

Recently, Televisa, the private TV channel in which the Monterrey holding company Grupo Alfa has a 25 per cent stake, made a programme about Tierra y Libertad. Members of the community did not like the way in which they were portrayed—claiming that the owners of Televisa had alighted the programme against them.

As a result, when I presented myself to the assembly late one Friday night, my presence acted as a catalyst for a debate on how much contact the settlement should now have with the outside world. The conclusion, after a vote, was that I should not be given a guided tour. "Come back later," said an old man, speaking into a specially rigged up microphone. "Governments in Mexico change every six years, but we will always be here."

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The representative of
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Frank Riess-Grindlays Bank Limited
Tel: 01-626 0545. Tx: 889304/889305

NEW YORK
Geoffrey Pack-Grindlays Bank Limited
Tel: (212) 887-8300. Tx: 666370

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Questioning the experts

BY GEOFFREY OWEN

FROM TIME to time governments find themselves having to take industrial decisions involving issues of great technical and economic complexity. The advice given to ministers is often conflicting, yet they are not qualified to arbitrate between different sets of experts. Powerful lobbies, both within government and among business interests, promote their points of view in Parliament and through the media; objective assessment of the matters at stake is hard to come by. The unresolved argument over the proposed computer system for the inland revenue is one example. On a bigger scale the past 25 years have been a series of decisions on nuclear power, the net effect of which has been to dissipate Britain's leading position in this important industry. Is it possible to devise different decision-making arrangements which would reduce the likelihood of errors?

Secrecy

Part of the trouble, as Mr. Duncan Burn has persuasively argued in the nuclear case, arises from too much centralisation, greater competition in reactor development and in the choice of reactors for power generation might have been preferable to the dominant influence exerted by the Atomic Energy Authority and the Central Electricity Generating Board. The few decisions of this kind which come to Whitehall the better. But there is another lesson that can be drawn from the nuclear story; it concerns those well-known features of government in the UK—secrecy and lack of accountability.

Mr. Roger Williams, after a careful study of the decisions taken between 1953 and 1978, concludes that "in respect of Britain's nuclear development government mostly amounted to ratification, indifference or bewilderment." He believes that better accountability of the whole policy system, and especially of the AEA, would have contributed to better decisions. Secrecy was built into the system from the start and became an obsession. The monopoly of technical knowledge held by the AEA was accepted as inevitable and even desirable. Because of its prestige and its closeness to govern-

ment, especially in the early years, its technical preferences, notably for the gas-cooled reactor, were rarely questioned, least of all in public.

Mr. Williams thinks there is a strong correlation between the extent to which proposals are analysed and criticised in advance of a commitment and their soundness in practice afterwards. "One might have thought that, faced with matters which they could not really be expected to understand, decision-makers would have sought safety in opening out policy arguments so that outsiders might identify weaknesses. Instead, they were either not qualified to assess or which they were prevented from even acknowledging because of institutional affiliations. Instead, on grounds of commercial security or constitutional propriety, the arguments were repeatedly closed up."

Investigations by the Commons Select Committee on Science and Technology were useful, but Mr. Williams criticises this body for taking its own opinions too seriously and not seeing itself primarily as an instrument of inquiry.

Scrutiny

There has been an advance in accountability on the safety aspects of nuclear power, especially in relation to reprocessing. British Nuclear Fuels was forced to provide a detailed public justification of its proposals to the Windscale inquiry which, Mr. Williams believes, began an important learning process; it is important that this open turn is kept equally open. But it is unfortunate that the economics of nuclear power decisions over the past two decades have not been exposed to the same scrutiny and discussion—mainly because the information has not been made available.

The present British Government is uncomfortable with decisions about industry and technology because it believes they do not belong in Whitehall. Since many of them, for the time being at least, cannot be handed over to the private sector, ministers should do the best they can and open them up for informed public debate.

*The Nuclear Power Decisions, by Roger Williams, Croom Helm £19.95.

WHEN INTEREST rates are high and business concerns about cash, it is more urgent than ever to speed up awards and judicial decisions in commercial matters.

Arbitration is thought to be a quick, cheap and private way of settling disputes, but in practice may turn out to be none of these. The Arbitration Act, 1979, was designed to improve matters, especially by reducing the opportunity for time-wasting appeals to courts. Its critics are not convinced it will succeed. Their scepticism may yet be disproved by the courts.

The *Kostas Melas* case, before Mr. Justice Robert Goff, concerned the right of appeal from an interim award by arbitrators under the new Act, and the extent to which a "commercial need for urgency" justifies an arbitrator making an immediate award for the payment of a minimum sum due, pending the final settlement of a dispute.

The vessel *Kostas Melas* was hired on a time charter in March this year. Events then became very confused. Disputes arose, with accusations and denials, and the owners and the charterers agreed to arbitration. But the owners, who were owed hire instalments, and needed the money, sought immediate payment of \$302,251 due, other dis-

puted matters to be settled later. The charterers alleged that money was also due to them for certain expenses and should be set off against the owners' claim.

On June 11 the arbitrators ruled that a minimum sum of \$100,000 was "due and owing" to the owners and made an immediate interim award to that effect. They dismissed the charterers' claim for a set-off as not being in good faith or reasonable, and described it as "inflated, spurious and nebulous" in their statement to the court. They also rejected an application for an adjournment. The charterers complained to the High Court that the arbitrators had acted improperly and failed in making the award without agreeing to an adjournment to allow them to prepare their case more fully. The court was asked either to remit or set aside the award, or to give the charterers leave to appeal against it under section 1 of the 1979 Act.

High feelings had arisen between the parties. The judge picked his way delicately through the "treacherous ground, concentrating on the principal point: if there is a genuine need for a quick award, how far should this weigh against the other party's right

to present its case fully? The judge had no doubt about the owners' urgent need of cash. But what of the charterers' claim for a deduction or set-off? Such a claim, he said, had to be strongly supported by facts—it is implicit in its very nature that it should only be exercised in good faith on reasonable grounds, and if the

defeated the object of the interim award. The judge held that the arbitrators had acted fairly and properly. On the request for leave to appeal against the award the judge pointed out that the 1979 Act abolishes the old power to refer points of law to the court in the course of an arbitration. In its place it gives

BUSINESS AND THE COURTS

BY ANN MOORE

other part considers it is not being exercised, he should be able to obtain a rapid adjudication on that point. That the right to make such a claim exists, even if it is not provided for in the original contract, was established beyond doubt in the doctrine of "equitable set-off" expounded by Lord Denning in *The Mofnri* case.

But because of the need for a quick decision the party claiming the deduction must be prepared "to very short notice" to establish the justice of its claim. If—as in this case—it failed to do so it had, in effect, only itself to blame. An adjournment would only have

the High Court a limited power to decide a preliminary point of law, but only if this will reduce costs or significantly affect the parties' rights. After the award has been made there is a limited right of appeal, which may be made conditional on, for example, the lodging of security. Even so, it can normally be made only if one of the parties has asked the arbitrator, in advance, to give his reasons. If this notice is not given, at the proper time, the court will order a statement of reasons only if there was some good reason for the omission.

In the *Kostas Melas* case Mr. Justice Goff said that either

party could have asked for reasons to be given, but neither had done so, and he was therefore not prepared to make an order for such a statement under the provisions of the new Act. In fact the arbitrators, presumably somewhat nettled that their conduct had been called in question by the charterers, had produced a statement as to why they had proceeded as they did. But as its object was only to answer an allegation of misconduct the judge did not feel it could or should be used for another purpose.

He leaked the information, he needed to decide if there were grounds for appeal.

In any case, he added—perhaps to discourage future time-wasting applications—if arbitrators made a minimum award under a time charter for sums due and less than simply that the claimed deductions and set-offs were not made reasonably and in good faith, this was a question of fact and not subject to appeal under the new Arbitration Act.

Events up to this point have moved with commendable celerity: the vessel entered charter service on March 27, the disputed award was made orally on June 11 and confirmed in writing next day, the case

came before the court on June 20, where because of the complexity of the disputes it took five days to argue. The judge then reserved his judgment with "some reluctance, realising that this would defeat the purpose (if justified) of a rapid interim award." It was delivered on July 18.

But the charterers then got leave to appeal against the judge's decision, the owners adding a plea for the utmost expedition. It remains to be seen whether the Court of Appeal will be equally concerned to enforce the spirit of the Act against such tactics.

As an example, Mr. Justice Goff gave a pleasing little homily on tempering justice with mercy, and on being fair as well as quick. "No tribunal," he said, "can necessarily conclude its work with two satisfied customers. But it can be done, and experience has shown that it is sometimes desirable to give a party a little more leeway than he may strictly be entitled to—a point which arbitrators might do well to keep in mind."

**Satlin Lines Ltd. v. Navisera Maritime Corporation*, The "Kostas Melas" Judgment, July 18th, 1980, unreported.

*Federal Commerce and Navigation Co. v. A.M. Sotgiu, [1971] 1 QB 872 at p. 874-5.

Flighting in form for Brighton

JOHN DUNLOP, enjoying by far his most profitable year as a trainer, and almost sure to better last season's personal best tally of 95 winners, should continue with his winning ways at Brighton today.

There, the Arundel trainer, whose previous best haul came

Sent to Ascot for the Virginia Waters Stakes just over a month ago, Flighting belied her odds of 33-1 in finishing fourth, beaten only 1½ lengths, three-quarters of a length and a short head by Silken Knot Will Of Victory and Majedda.

A compact full sister to that high-class performer Banie Isle who finished three lengths runner-up to Seintillate in the Oaks, Flighting should make short work of second race opposition on this, a track which is ready made for her. I take her to land the Saddlescombe Maiden Filly Stakes at the main expense of Murnansk, a Warren Place raider not disgraced in finishing fourth of 24 behind York Terrace at Windsor recently.

With Luca Cumani's string beginning to find form backers will do well to examine the

claims of his three Yarmouth runners Life At Last, Tower Joy, and Aim To Kill. The last named, a previously untried colt, is likely to need time before showing his true worth, but I expect the older pair to oblige. Of the duo, Life At Last strikes me as the better proposition.

BRIGHTON

2.00—Tarte Aux Pommes
2.30—Flighting**
3.00—Chads Gamble
4.00—Aswad

YARMOUTH

2.15—Life At Last***
2.45—Tashir Rhythm
3.15—Kashmir Elne
3.45—Tower Joy
4.15—Devon Bells
4.45—Cyprus Sun*

RACING

BY DOMINIC WIGAN

In 1978 when he notched 73 successes, can score through Flighting and Aswad. His best prospect appears to be the once-raced Flighting, a two-year-old filly owned by Sandy Struthers for whom Dunlop has picked up a good many noteworthy prizes over the past 15 years.

TV/Radio

BBC 1

+ Indicates programme in black and white
6.40-7.55 am Open University (Ultra high frequency only).
10.00 Noah and Nelly in Skylark.
10.05 Jackanory. 10.20 The Perils of Penelope Pitstop. 10.40 Take Hart. 11.25 Cricket: The Cornhill Insurance Centenary Test—England v. Australia. 1.30 pm Mr. Men. 1.45 News. 2.05 Cricket: The Centenary Test. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 The Space Shuttle.

F.T. CROSSWORD PUZZLE No. 4,359

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32

- 1 Wholly devoted to being consecrated (9)
2 Spill nought inside host (5)
3 Pour fat over tack and beat with a stick (5)
4 Bad cure he concocted for a libertine (9)
5 Foundation under a lawn (5-5)
6 Clothing motorists get into (4)
7 A single clause in a literary composition (7)
8 Fail to catch insect used by anglers (7)
9 Register at a hotel and order chicken (5, 2)
10 A soft trim left in clothing (7)
11 Especially good and seldom met with (4)
12 Take a photograph of monster flower (10)
13 A cross in front of cathedral carpet (9)
14 Prize for a minor in custody (5)
15 Players performing without safety device (5)
16 Candidate in front of nurse (9)
17 Find and remove fossils from some French enthusiast (5)
18 Take to pieces little Diana's cloak (9)
19 What the photographer asks to be said to fool pin-up (10)

LONDON

9.30 am Gardening Today. 10.00 About Britain. 10.25 Wild Canada. 11.15 Animated Classics. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivan. 1.00 News, plus RT Index. 1.20 Thames News. 1.30 Emeralds Farm. 2.00 Here Today. 2.45 Two Girls and a Millionaire. 3.45 Looks Familiar. 4.15 Project UFO. 5.15 Mr. and Mrs. 5.45 News. 6.00 Thames News. 6.25 An Exceptional Child. 6.55 Charlie's Angels. 7.45 Miles United Kingdom 1980. 9.00 News. 9.15 "Swan Lake": Natalia Makarova and Anthony Dowell star in this Royal Ballet production.

GRAMPIAN

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Reg Livermore

Phoenix

Sacred Cow

by MICHAEL COVENEY

Reg Livermore is a one-man Australian show who found fame down under in *Hinr, Jesus Christ Superstar* and *The Rocky Horror Show*. He is, to use the self-descriptive phrase of a similar Los Angeles transvestite entertainer, "a humour sexual." To find him in the West End is as surprising as discovering John Hanson in the Black Cap in Camden Town. I think the latter proposition would be more entertaining. For this is the theatre of narcissism carried to absurd lengths. Mr. Livermore cries out to be loved, but me thinks the lady doth protest too much.

There are three definable personae on view: the downbeat Australian whinger whose monologues carry a cutting commentary on suburban isolation and despair; the transvestite extrovert whose display elicits a conspiratorial sabotage executed by stage-management and indifferent musicians; and, worst of all, the self-pitying undisguised singer with material supplied by Bette Midler and Bernie Taupin. Inter alia, who uses heterosexual rock music ballads to convey a weepy homosexual inability to cope.

As all of this amounted to so much anathema for a first night audience, I was desperate to like Mr. Livermore more than he deserved. But self-indulgence and unbitten hysteria are his own undoing. Unlike Barry Humphries, he risks nothing with an audience by wallowing himself off behind an impressive display of *son et lumière*. There is no real contact, no effort to implicate us in his endless pursuit of self-adoration.

His studied attempts at drag routine communicating with a hupplised sister he reveals little surprise at the fate of Peter Sellers: after all the women he'd been up and down.

Marginally more acceptable is his throwaway remark as a flutist, lipping member of the Women's Weekly Suicide Society that his life is a flop, a veritable Bruce Forsyth spectacular. Rolf Harris and Robert Menzies come in for similar treatment. These sketches go on for far too long, rather like Barry Humphries' grass widower routine. He only achieves take-off (not counting a spectacular misfired trapeze routine as an unprincipled principal boy to open Act 2) as a hallucinatory Carmen Miranda, entangling her fruit with her legs as the design stunningly reflects both costume and state of mind.

The band, the Wellington Bews, is perfectly amplified and everything about the technical presentation unbeatable. But this is a show all dressed up with oowhere to go, a self-regarding hotchpotch that claims for itself star quality without really earning the right to do so. It left me stone cold. Dead in character, Mr. Livermore engineers his own curtailment and brings on his own flowers. Everybody's a star, no one's a star. Pace Andy Warhol, I simply do not believe it.

Austro-Hungarian court actress dies aged 105

Rosa Albach-Retty, the last surviving Austro-Hungarian court actress, has died at the age of 105 in Baden.

Miss Albach-Retty, grandmother of Austrian actress Romy Schneider, retired from Vienna's famed Burg Theater in 1958. She last appeared on its stage in 1974 for a 100th birthday celebration.

Miss Albach-Retty was 44 when Austria's Hapsburg monarchy was dissolved in 1918 after the loss of World War I.

New York Philharmonic

by DAVID MURRAY

The Festival audience gave a warm welcome to the New York orchestra at both its Usher Hall concerts under Zubin Mehta. The hall was crammed for Mahler and Jessye Norman on Monday, but there were a few unfilled seats on Sunday for two large symphonies, the Beethoven "Eroica" and Krzysztof Penderecki's new Second Symphony. Can the Penderecki have frightened Edinburghers away? It was the last thing it was meant to do: its idiom could hardly be more ingratiatingly familiar — not the familiar Penderecki we know and have our various opinions about, however, but homely middle-European Romanticism.

Penderecki's straight-faced academic description of his symphony might have been attached to some cautious turn-of-the-century product, and it proved not to conceal anything further. There are no literal horrors, though some passages recall moments in Schoenberg's *Gvr-*

relicder rather closely. There is certainly something heroic about picking up an old tradition just where it left off, and Penderecki pursues a sturdy dramatic plan with transparent honesty. Little betrays its modern origin but the harmonic movement — whereas the chords are the old tonic favourites, their sequences are brutally square-toed. Orchestral tricks are conspicuously absent. One waits bemused to see how Penderecki's public will take to this unexpected recumbent.

Mehta's "Eroica" was a brisk, sunny affair, though a mood of gentle sadness made itself felt in the Morcio Junebre. The finale sprang away with the stride expected of a crack orchestra, but the slower pages near the end came close to crowning seotmentality. Those who prefer the "Eroica" big honed and majestic will have been disappointed. The unfamiliar weight, energy and definition of the fower Philharmonic strings were an incidental pleasure; the winds were unremarkably sound, though the New York horns

retain that covered, attractively pastoral quality which seems to have been bred out of British horn-playing, and could still produce open brilliance when it was needed.

The Monday concert began with the Webern Six Pieces op. 6 — a fine-grained, musically performance in delicate dots (but with a properly shattering Marcin Junebre), all the exposed solos accurate and alert. For Jessye Norman — whose usual ease in the upper register seemed constrained — Mehta took Mahler's Ruckert Lieder almost as slowly as possible: affecting (if self-conscious) in "Ich bin der Welt..." glues in "Liesbet du um Schönheit." Miss Norman's line was too often cut by consonants, but she seized and differentiated the dramatic mood of each song excellently. Finally Mehta led a very good Mahler First: he is still too impatient with the dreaming introduction, but he floods a wealth of telling detail in the score, and the violet peripeties of the Finale were managed with great expertise.

Morning concerts

Unbridled piano virtuosity is not to everyone's taste; still, I was shocked by the colleague who passed up Jorge Bolet's recital in the Freemasons' Hall in the belief that Bolet has only "fingers." More than his remarkable fingers, what is extraordinary about Bolet is his ear — an ear above all for the just balance of every chord (besides the digital control needed to achieve it at any speed, any dynamic level). That's no mechanical matter, for what a just balance depends upon the musical context, and finding it wants an acute appreciation of harmonic sense and direction.

On Monday Bolet again showed that in his inspired Liszt playing: gorgeous performances of the second and third Petrarch Sonnets, and a "Daute" Sonata of heaven-storming power and electrical drama. There was a piece of pure shameless indulgence, Godowsky's transcription of Weber's "Invitation to the Dance," which paces tune upon counter-tune

with reckless exuberance — sensationally realised here — and the old Bach-Busoni Chaconne, painted to rich hues. Bolet also undertook the Brahms Variations and Fugue on a theme of Handel, op. 24, with fine imaginative restraint and not one repeat elided. The whole considerable structure was broadly laid out, with the focal variations and the fugue swept up in towering excitement. A liberal helping of encores — there was a standing ovation — included an exquisitely limpid Chopin Nocturne, and delectable trivia by Liszt and Blochowski (the tongue-in-cheek "Jogeleuse").

Bolet and Cécile Ousset might both have been heard more comfortably in the larger, refurbished Queen's Hall, where on Tuesday the Alban Berg Quartet played. The Quartet delivered Mendelssohn's little variation-Andante (collected in op. 81) with tidy grace, and then presented the Gerhard Wimberger Quartet which they premiered last Saturday in Salzburg. Wim-

Henry IV Part 2

by B. A. YOUNG

The second part of *Henry IV* at Daniel Stewart's and Melville College is as much Falstaff's play as the Plantagenets' and Alfred Marks continues to make a fine job of him, though sometimes he joins in the general race to speak the dialogue as fast as possible. The Eastcheap scenes are splendidly done. Patti Love transfigures herself as quickly from Falstaff's page to a flushed and drunken Doll Tearsheet, as if she were in some Goldoni farce; Barbara

Jefford keeps Mistress Quickly as respectable as she can in the circumstances; and Mr. Marks emphasises what he had begun to show in Part 1 — that his Falstaff, old and fat as he is, can still rise to military occasions when he has to — as in resisting the authorities, for example.

Bernard Lloyd portrays the old King's growing weakness with subtlety, though he is unexpectedly vigorous on his death bed. I think I should have been pretty cross, too to have had the crown chucked at me, as David Rintoul's Hal does it, when he is on the verge of pressing his reformations. James Garbutt, a good Glendower in Part 1, makes a dignified and humorous Lord Chief Justice in Part II.

The historical scenes look a bit hit by repertory standards, let alone by festival standards.

With such quick-change abilities as the company shows, it should surely have been possible sometimes to dress the stage more richly. Henry's coronation procession, for instance, is seven-strong, including the King's three brothers, and the populace is confined to Falstaff and his three mates. All right, the story is told (and Hal acquires some true dignity for his part in it); but the emotion that ought to colour Falstaff's public degradation is missing.

However, this production is going to be seen where theatre of any kind is a rare novelty, and to take a full Shakespeare text on the road, with a company as adept as the Royal Shakespeare, is one of the justifications of subsidised theatre. The tour is also sponsored by Hallmark Cards, who may be proud of the public service they do in it.

Theater des Westens, Berlin

Kiss Me, Kate

by RONALD HOLLOWAY

West Berlin being the seventh largest convention city in the world, a musical-cabaret theatre like Karl Vihach's Theater des Westens is both a luxury and a necessity. Thus far, over the past two seasons, Mr. Vihach has given us worthy productions of *Cabaret*, *Show Boat*, and *Applause*, but his crowning glory was a poignant revival of a beloved Berlin operetta, *Wie einst in Mai*, originally composed in 1912 by Walter Kollo and later embellished by his son, Willi Kollo, in 1943.

Now he has reached for another Broadway musical: Cole Porter's *Kiss Me, Kate*, a popular musical hit in Germany almost immediately after its New York premiere in 1948. It was perhaps the Shakespearean framework that pleased audiences then, just as ballet fans were to flock later to John Cranko's *Twining of the Shrew* (*Der Widerspenstigen Zähmung*), the production that was to make the Stuttgart Ballet internationally famous. But there was also another reason: Porter's dry, intellectual, Euro-

pean wit. He, and Thornton Wilder, were two cultural ambassadors to West Germany during the reconstruction years. Indeed, following the premiere of *Kiss Me, Kate* in Berlin in 1955, the way was opened for the American musical comedy in both the operetta and subsidised houses across Germany.

Vihach's production of the Cole Porter classic has a few glaring weaknesses. One is the horrendous problem a translator as good as Günter Neumann faces in rendering Porter's witty texts into equivalent "light German." Another is the reduction of the gangster-scenes to B-movie clichés; the Damon Runyon flavour is entirely missing. And a third is a chorus-line to keep the tempo at an even pace throughout. All the same, the leads, Angela Mithel as Katharina and Joachim Kemmer as Petruchio, are fine actors as well as charming soloists. It's a delight to see the stately and attractive Theater des Westens packed to the rafters each evening. Next comes *Chorus Line*, a major test for Vihach.

Jessye Norman for Wigmore Hall

Soprano Jessye Norman, accompanied by Geoffrey Parsons (piano) will open the 80th anniversary season at the Wigmore Hall, Wigmore Street, London, W1, on Saturday next, August 30 with a recital of songs by Hugo Wolf and Ravel. This will be Miss Norman's first appearance at the Wigmore

Hall, and it is one of the series of Master Concerts to be given during the season. More than 400 concerts will be presented during 1980/81 at the Wigmore Hall which is administered by the Arts Council and let to concert promoters and individual artists.

Salzburg Festival—3

Ariadne: Karl Böhm

by DAVID MURRAY

Dr. Böhm is 86 this year. Luckily and quite rightly, he did not take the jubilee celebration that the Festival laid on for him last year as any kind of hint, but has returned for another five performances of Strauss's *Ariadne auf Naxos* (which he first conducted 57 years ago), an all-Mozart concert with the Vienna Philharmonic and so all-Beethoven one. I heard the latter at the beginning of last week, and a heartening affair it was.

The works were Beethoven's second and seventh symphonies. Either Böhm's beat possesses a time-defying clarity still, or the Vienna players can divine his intentions as if they were their own: in the introduction to the Second, the tiny swirls of string scales — and their echoes in the main Allegro — were magically precise, where a suggestive blur is all we generally hear. The Larghetto unfolded to serene, divinely long lines; the Scherzo was a delicately pointed mechanism, its parts neatly separated but perfectly meshed. The final Allegro was not really "molto," and aimed at graciousness rather than wit — it was the one movement that suggested an old man's reading.

The introduction to the seventh symphony hoisted a lovely water-drop flute, and the Vivace was clean and springing. For the slow movement Böhm kept up to a genuine Allegretto, its secure gravity without ponderousness; the ground-tune stayed firm and square-cut, with all the expression in the descants that twine about it. Böhm used quadruple winds, which made for a grandiose Trio in the Presto and a quite overpowering Fiolale. The interesting programme notes argued that Wagner was misguided in dubbing the symphony "the apotheosis of the dance" — that it consisted rather of revolutionary marches raised to a higher power. Böhm's reading concurred resoundingly.

Having the Vienna Philharmonic to play for every opera is something that places the Festival hors concours. In *Ariadne* they were superb, utterly at home in the idiom: Böhm played upon them with perfect freedom, drawing rounded sonorities from the chamber-size orchestra at every level from sweet, fragile whispers to blazing effulgence. (Of the odd-instruments-out in the score, it is usually the rollicking piano one notices; here for once it was the harp that repeatedly caught the ear, like a hum of well-tuned bees.) Böhm's timing was smooth and unerring, and he found more real music woven into the light texture of the Prologue than almost any other conductor can do.

Dieter Dorn's production of

the opera deserves an essay to itself. Its brilliant principal feature is that the opera-within-the-opera is not really "staged," either in mock-rocco or in any more sophisticated style; rather, it is presented almost impromptu, with all the marks of last-minute make-do, at one end of the parvenu patron's parlour. Naxos is a plain platform, with stuffed sacks for rocks and Ariadne's cave. There the competing troops jostle each other for a share of the action, with no further décor but legions of billowing blue silk (waved frantically by unseen hands to signal Bacchus' arrival with a sea-storm) Zerbinetta's troupe is out an arch, commedia dell'arte team, but a sort of second-rate Viennese Crazy Gang. Amid this calculatedly simple makeshift, Hofmannsthal's original ironies emerge with a force and vivacity that I have not seen matched anywhere.

Edita Gruberova's glorious Zerbinetta is very different from the Erika Köth/Keri Grist model. A big girl, comically rueful, she looks like Lynn Redgrave cutting up rather than a pretty doll. Not only is her coloratura staggeringly accurate, but every phrase, roulade and trill of it is given an exact expressive sense with the help of an eyebrow, a shrug, a flap of the hand. "Grossmächtige Prinzessin" is not a cabaret act, but a personal confession. Against her is set

Gundula Jaowitz's Ariadne, in severe modern black, eschewing all features, singing with dream-like intensity and directness (no mezzo voice shadings). Two kinds of woman, two kinds of opera; and when Ariadne is joined by James King's Bacchus, needing all his good operatic sense to cover some threadbare vocal patches, the effect is consistent, and satisfactory — the amateur-theatrical manner continues, the irony is sustained.

In the Prologue Walter Berry was a sterling Music Teacher, and there was a fine, scathing Dancing Master from Horst Hiestermann. The announced Composer had suddenly fallen ill (the *plötzliche Erkrankung* is as familiar a Salzburg feature as the soufflé pudding Nocker!) — out that I should dream of suggesting any connection, and from the excellent nymphs Dryade was hastily promoted. She was Rohaogiz Yachmi. Hofmannsthal's Composer to the life: touchingly boyish, sulky, eager, vulnerable. At last in the "Musik" eulogy she ran out of voice; she took her curtain call in tears, and had to be persuaded by her colleagues to venture oo agiao to sympathetic cheers. The timbre of the voice is ideal. If only there, proves to be enough of it on less anxious occasions, and in style she was fully worthy of this inspired Ariadne.



Dale Dusing and Edit Gruberova

Arts news in brief

The Servants by William Mathias is to receive its first performance on September 15 at the New Theatre, Cardiff, by the Welsh National Opera Company.

The libretto is by Iris Murdoch, based on her play *The Servants and the Snow*.

The opera was commissioned by the Welsh National Opera Company with funds provided by the Welsh Arts Council. The cast is headed by Nigel Douglas.

Eiddwen Harri, and Phyllis Cannan, with the chorus and orchestra of the Welsh National Opera Company, conducted by Anthony Hogg.

The producer is Adrian Slack and designers Patrick Robertson and Rosemary Vercoe.

The Arts Council has awarded its second piano technician training bursary to 31-year-old Peter Robert Lowe, of Kent's Road.

Stantonbury, Milton Keynes. The bursary will help to meet his living expenses while he is undergoing a year's advanced training at Steiwoy and Soos in London, starting this month.

The first piano technician bursary was awarded to Martin K. Locke last year and he is training at Steiwoy's.

The scheme is designed to alleviate the serious shortage of tuner-technicians qualified for concert work.

NOTICE OF REDEMPTION

To the Holders of

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 15, 1967, between The Procter & Gamble International Company, The Procter & Gamble Company, as Guarantor, and Morgan Guaranty Trust Company of New York, as Trustee, \$1,917,000 principal amount of the above Debentures have been selected by lot for redemption on September 15, 1980, through operation of the sinking fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said redemption date, each in the denomination of \$1,000 bearing the serial numbers with the prefix letter "M" as follows:

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3585	3885	4885	5385	6385	7385	8385	9385	10885	12685	13685	14885	15885	16885	22085								
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On September 15, 1980, the above Debentures will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment will be made upon presentation and surrender of the above Debentures with coupons due September 15, 1981 and subsequent coupons attached at (a) the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015; or (b) the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London and Paris: Credit Foncier S.A., Luxembourg; or at the offices referred to in (b) will be made by check payable to the order of the holder of the Debenture, or by transfer to a dollar account maintained by the payee, with a bank in New York City.

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The shake-out continues

NEW RECORDS for unemployment are now a regular monthly fixture in Britain's economic calendar. Yesterday's total of two million, including school-leavers, may have been the symbolic figure that Ministers had most dreaded, but they would be wrong to assume that once the storm over yesterday's figures subsides, the worst will be over in terms of political pressure against the Government's economic policies.

Cumulative

Familiarity with previously unthinkable levels of unemployment is unlikely to lead to public indifference or complacency. On the contrary, the political effects of unemployment will be cumulative as the experience of having been jobless spreads to a much larger proportion of the work-force than is suggested by the simple 7 per cent seasonally adjusted rate of unemployment. Many of those who experience unemployment for the first time will be traditional Conservative voters. Meanwhile, the psychological and financial pressure on the long-term unemployed and on the young will, of course, grow as their periods out of work lengthen.

However, the most important reason for Government concern about the level of unemployment is simply that this figure is still one of the best indicators of what is happening to the real economy.

Closures

The Government may take some comfort from the belief that redundancies represent a shake-out of labour from over-manned industries and will lead to better productivity. But the evidence, from industry, and from the figures on national output, suggest that most of the unemployment is accompanied by cutbacks in production and, in many cases, permanent closures. Productivity is unlikely to start growing at anything like the rate required to bring it up to internationally competitive levels until there is a resumption in the growth of economic output.

But while productivity in British industry continues to lag behind that in other countries, unemployment will go on rising if British workers secure real pay increases, while workers in many other industrial countries are accepting cuts in their standards of living. In this sense, the Prime Minister was right yesterday to

put the blame for unemployment on workers who are "pricing themselves out of the market."

What she did not admit is that the Government's own economic policies, as much as the actions of union leaders, have been responsible for the British industry suddenly finding itself with high labour costs, as a result of the appreciation of sterling. The combination of North Sea oil and high interest rates has closed the low-pay option which had protected British companies and workers from facing up to the facts of international competitiveness in the past.

Transformation

This is not entirely unwelcome, since one of the ultimate aims of economic policy should be to put Britain on the road to a high-wage, high-productivity economy, like that of Germany or the U.S. In the process, certain labour-intensive industries, in which competition from low-wage countries is strong, are bound to be replaced by others, which require more advanced technology and a more highly educated labour force. The Government believes that against a background of falling inflation and a strong exchange rate, market forces will ensure this transformation to take place.

However, Ministers would be wrong to believe that the collapse of existing companies in what are regarded as declining industries can be viewed with indifference or even welcomed as a sign that this economic revival is beginning. Closures and redundancies in some parts of the economy are neither sufficient nor even necessary for the generation of activity in other sectors. Indeed, the decline in profitability, demand and investment which have resulted from high interest rates and the strength of sterling have so far done more to deter the economic regeneration than the Government's policies on competition, non-intervention and taxation have done to promote it.

So far the Government has concentrated on the negative sides of the adjustment which the British economy must undergo if it is to become internationally competitive. It may now have to do more to stimulate the development of the new industries and jobs on which Britain will have to base its economic future.

Half measures in Pretoria

MR. P. W. BOTHA, the South African Prime Minister, holds that his country must "adapt or die." His Cabinet changes are an important step on this road towards adapting to a world which no longer accepts racial discrimination as normal. History will show whether he and his country are ready to go far enough down that road: the auguries do not look favourable. Autocratic regimes have rarely succeeded in relaxing their grip: the French Revolution broke out when the ancient regime was letting up, not when oppression was at its worst.

Three of Mr. Botha's Cabinet appointments deserve special notice: those of General Magnus Malan to be Minister of Defence; Dr. Gerrit Viljoen to Education; and Dr. Dawie de Villiers to Industry.

Marxist threat

General Malan is a professional soldier who shares Mr. Botha's belief that the Republic must develop a total strategy against a threat they see coming, mainly from outside. In their eyes South Africa faces not a racial confrontation, but rather, a Marxist threat. That implies a hope that the country's blacks can be rallied to a common cause with the whites.

Dr. Viljoen is one of the thinkers of the National Party, which is deeply entrenched in power, and chairman of the Broederbond, which wields great influence behind the scenes in Afrikaner society. The President's Council, a new advisory body about to replace the Senate, goes back to a suggestion of his. The purpose was to find a way to associate South Africans other than Whites, such as the Coloureds, with the political decision-making process.

Dr. de Villiers attracted public notice two years ago when he criticised the patchwork of black "homelands" set aside for the country's blacks. A Nationalist audience howled him down when he suggested that the homelands would have to be consolidated, even if it meant giving them lands settled by whites.

In the context of Afrikanerdom all three, like Mr. Botha himself, are "liberals." But the limits to liberalism are narrow: Mr. Botha has firmly re-

jected the idea of blacks serving on the President's Council, even though the members will be nominated, not elected, and even though the Council will be advisory only. The idea of a separate council for blacks was dropped because it became evident that no blacks of standing in their community would be ready to serve.

In other words, there is no evidence that the overwhelming, black majority is attracted to Mr. Botha's strategy. Even the reaction of the white minority remains to be seen: final power rests with the congresses of the National Party, and it has a way of shying away from reform.

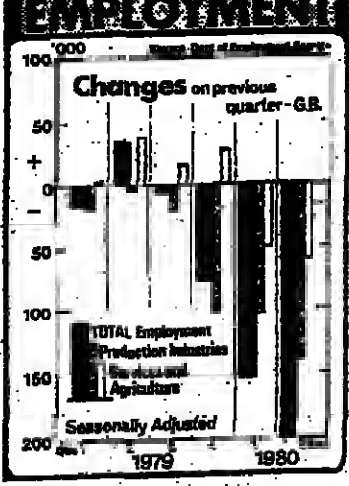
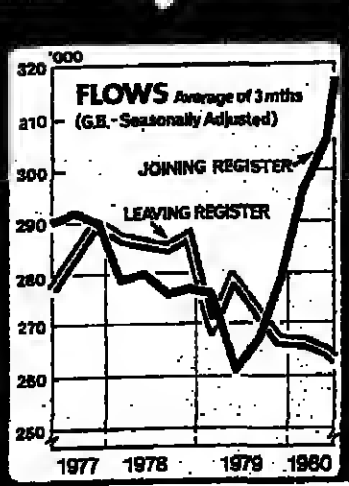
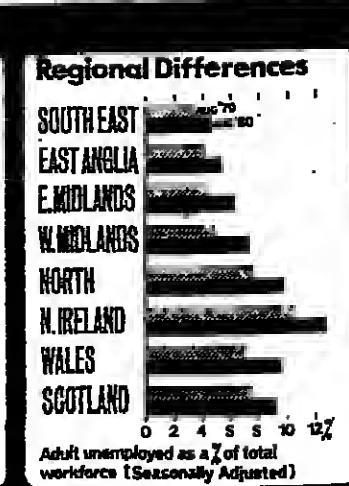
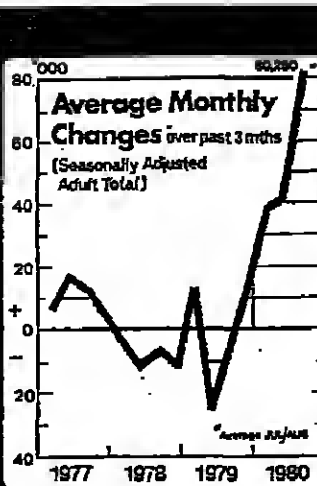
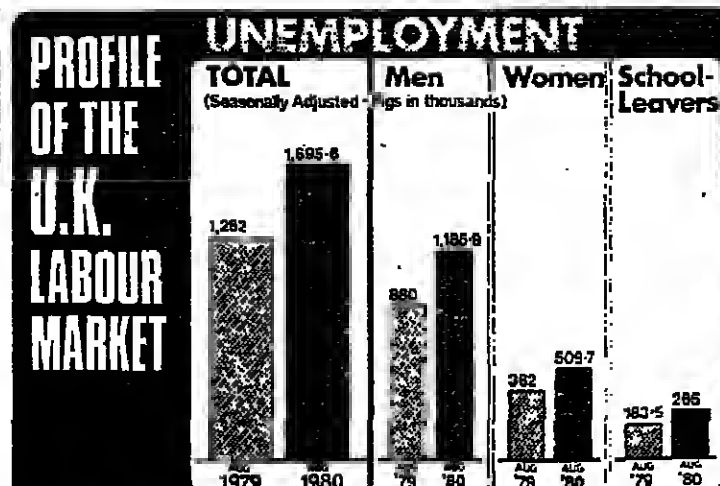
That is why Mr. Botha often bypasses normal political channels. General Malan and Dr. Viljoen are not even members of the National Party, and the Prime Minister has a habit of leaning on specialist committees rather than on Cabinet and Parliament. His situation may require tortuous tactics, but the risk is evident that, under pressure, the "liberals" will lose white support without having gained the loyalty of the blacks.

Mr. Botha still has time on his hands. The armed forces have the measure of anything their northern neighbours can muster. Within the country the security forces are in control though the level of violence is rising. One day a well organised urban guerrilla movement could prove extremely troublesome.

Prosperity

The Government's strategy makes sense if one assumes that a black middle class in a prosperous South Africa would deny the support such a guerrilla movement would need and that prosperity can spill over to the black industrial worker. The flaw in that argument is that expectations will almost certainly rise more quickly than affluence.

The judgment of history therefore is probably going to be that the total strategy was something of a good deal less grand. Unless Mr. Botha produces measures far more imaginative than those we have seen so far, he will prove to have done no more than tinker with the problem.



2m jobless: the widening gap

PETER RIDDELL looks at the reality behind yesterday's unemployment figures.

LORNE BARLING (below) reports on the effects in the city of Coventry.

THE unemployment figures are rather like a snapshot. They freeze a rapidly changing scene by showing the number of people registered as unemployed on one particular day in a month. But the figures, like a single frame in a moving picture, do not tell the whole story.

There is a widespread belief that the employment scene is somehow at a standstill like the housing market is thought to be. This is not the case. The labour market is not static. The dole queue may be lengthening but it is still moving.

There is a continual flow of people on and off the register between the monthly counts of the unemployment total. An average of 263,000 adults were leaving the register each month between May and July, only 14,000 less than at the same time a year ago. The snag is that in the same period 317,000 people a month were joining the register, 50,000 more than a year ago. It is this—rapidly growing gap between those joining and leaving the register that accounts for the rise in the total at each monthly count.

The 2m total which grabbed yesterday's headlines is not a hard core of those permanently out of work. What is happening is that many more people are now losing their jobs and registering as unemployed and that they are having to wait longer before obtaining a new job. In time this is likely to push up the number of long-term unemployed. But at present only just over a third of those out of work have been on the register for more than six months.

None of this will, or perhaps should, reduce the social and political impact of yesterday's figures but it shows the limitations of the snapshot approach. The headline total is anyway itself a subject of controversy. Economists and politicians disagree about whether it underestimates or exaggerates the true figure.

The total excludes adult students looking for holiday jobs, people not claiming benefit who are seeking only part-time work, those whose work has been temporarily stopped and disabled people requiring sheltered employment. These groups total about 212,000.

More significantly, Government household surveys suggest that about 300,000 to 350,000 people are unemployed but not on the register, many of whom are probably married women seeking part-time work. If all these people are taken into account the total may already be above 2.1m. In addition, the Government's various special job measures are helping to keep 222,000 people off the register.

The other side of the picture is that the total includes about 90,000 to 100,000 people with pensions from their ex-employer who are below retirement age and are not believed to be seeking work, and more than 120,000 disabled people not in need of sheltered employment. In

addition, attempts have been made to adjust the figures for the unemployed, those not really interested in finding work.

The only regular adjustment is for school leavers, defined as those aged under 18 without a job since leaving full-time education. This figure fluctuates sharply during the year. There is always a big bulge in the mid-summer because of the interval between youngsters leaving school and the start of the recruitment after the holidays. The peak figure of 215,400 in July last year was reduced to 31,800 by this March. This year's peak was higher at 295,500 last month; even though the figure has since dropped by 30,800 the fall during the autumn and winter may be smaller than last year.

Consequently, most policy-makers and economists concentrate on the adult total after excluding school leavers and after adjusting for seasonal variations. This now stands at just under 1.7m—434,000 higher than a year ago.

The pattern of unemployment is not uniform. There are familiar differences between regions with 12.7 per cent of the adult workforce out of work in Northern Ireland and nearly 10 per cent in northern England, Wales and Scotland but still well under 5 per cent in south-

eastern England. There are also marked differences between the sexes—a male rate of 8.3 per cent and a female rate of 5.1 per cent—and between age groups with the highest concentration of unemployment among those aged under 25.

These figures are only one measure of what is happening in the labour market. The range of job opportunities is best shown by the level of vacancies notified to employment offices—currently 120,000, or well under half the total of a year ago. Since only one-third of vacancies are officially notified there may be about 300,000 to 350,000 jobs available in the economy as a whole.

These indicators are in turn a reflection of what is happening to employment as a result of the recession. Manufacturing has been under most pressure; employment in this sector has fallen by 350,000 (or 5 per cent) in the last year, roughly the same as the fall during the first year of the last cyclical downturn in 1974-75. The significant feature now is that for the first time in well over a decade employment in service industries has also started to decline this year. The result is, in the first half of 1980, total employment dropped by around 350,000, more than offsetting the rise of 250,000 which occurred in the

three years to mid-1979. These figures are paradoxical since they suggest that a hole is appearing in the labour market. This is because the population of working age is currently rising by about 200,000 a year. This increase coupled with the slow growth and recent sharp fall in employment has not been matched by an equivalent rise in unemployment. On the basis of past trends unemployment should be much higher than it is. Instead, the working population (employed plus unemployed) dropped by nearly 150,000 in the year to March.

The Department of Employment reckons that earlier retirement, particularly among men, may have been the main reason for these missing workers. It is also possible that fewer married women are seeking work since for the first time in well over a decade the number of women available for work has started to fall; in turn this may reflect a fall in service employment.

A possible implication is that people may adjust to the reduction in job opportunities and that unemployment will not rise endlessly. But no one now doubts that the UK will have to live with the economic, social and political consequences of more than 2m unemployed for the foreseeable future.

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Coventry counts the cost

FOR THE first time in recent memory many skilled workers in Coventry cannot find work in manufacturing industry, an alarming indication of the severity of recession in an area which was once the very centre of Britain's engineering expertise.

What is causing so much concern in the city and across the Midlands as a whole is the rate at which job losses have been accelerating in the past few months. Since the start of July alone, nearly 4,000 redundancies have been announced in the Coventry area, bringing the number now out of work in the city to 24,000 or 9.9 per cent of the working population. This compares with 21,141 in the West Midlands as a whole, or 9.9 per cent of the working population.

Many of the redundancies have close links with the motor industry. And a significant proportion of the men being made redundant are highly skilled, men who in the past would have been taken on by Coventry's car companies. Now there are almost no other jobs for them to take.

"Coventry has changed from being boom city in the 1950s to a doomed city now," says Mr. Nick Bucknall, AUEW convenor at Renold Chain which closes this week with the loss of 800 jobs. Renold, which has been hit hard by the slump in demand for BL and other British-made cars, is moving its production of timing chains to Calais.

Mr. Frank Joliffe, manager of Coventry's Job Centre, believes that the small but steadily increasing number of skilled men on his books is among the most ominous effects of the recession. The fear is that they will soon be lost for good to an industry which will need their experience if, and when, there is an upturn.

One of the newly unemployed men is Mr. Harry Willis, a 46-year-old tool-setter who left Renold Chain this week after nearly 25 years with £5,102 redundancy pay and virtually no hope of a similar job in Coventry. His only consolation is that his 18-year-old son, an apprentice at the same plant has got a job with Dowty.

Mr. Willis has unique experience in setting tools for chain manufacturing, and if he leaves the industry that skill will be gone forever. "There is a great deal of skill in his job which can only be learnt with experience," Mr. Bucknall pointed out.

Renold Chain, or Coventry Chain Works as it is still known, was recognised as having one of the best tool rooms in Coventry, and now many of the men leaving will, if they are lucky, be going to jobs which will not use their skills adequately. They will also be paid less.

Mr. Willis does not want to leave the city: "I suppose I could get a job out of Coventry, but I'm not prepared to leave my family. I've been thinking of trying to get a shop perhaps in the food line. Everyone has to eat," he says. Another reason why men like Mr. Willis are unlikely to get new jobs in industry is that companies are unwilling to introduce older employees to their pension funds, since this would reduce the size of pensions available in other longer serving employees.

The only encouraging aspect of the redundancies is the help being given to apprentices in finishing their indentures. A small number of jobs have been found at Renold's Manchester plant for them and companies such as Rolls-Royce, Dunlop and Talbot have conducted interviews.

Of the 800 people leaving Renold only about 200 are expected to get jobs, a further 200 or so are likely to take early retirement, another 200 will be women, many of whom will stop working, and those over 60 are not expected to look for employment.

The decline of Coventry is seen as an inevitable progression of present trends with only a few major companies such as GEC being able to maintain or increase the numbers they employ.

Various schemes, aimed at attracting new major industries, small businesses and foreign investments to the area have generally been unsuccessful and the Council's forecasts are bleak, suggesting a job shortfall of 25,000 over present figures by 1985.

other jobs for them to take. "Coventry has changed from being boom city in the 1950s to a doomed city now," says Mr. Nick Bucknall, AUEW convenor at Renold Chain which closes this week with the loss of 800 jobs. Renold, which has been hit hard by the slump in demand for BL and other British-made cars, is moving its production of timing chains to Calais.

Mr. Frank Joliffe, manager of Coventry's Job Centre, believes that the small but steadily increasing number of skilled men on his books is among the most ominous effects of the recession. The fear is that they will soon be lost for good to an industry which will need their experience if, and when, there is an upturn.

One of the newly unemployed men is Mr. Harry Willis, a 46-year-old tool-setter who left Renold Chain this week after nearly 25 years with £5,102 redundancy pay and virtually no hope of a similar job in Coventry. His only consolation is that his 18-year-old son, an apprentice at the same plant has got a job with Dowty.

Mr. Willis has unique experience in setting tools for chain manufacturing, and if he leaves the industry that skill will be gone forever. "There is a great deal of skill in his job which can only be learnt with experience," Mr. Bucknall pointed out.

Renold Chain, or Coventry Chain Works as it is still known, was recognised as having one of the best tool rooms in Coventry, and now many of the men leaving will, if they are lucky, be going to jobs which will not use their skills adequately. They will also be paid less.

Mr. Willis does not want to leave the city: "I suppose I could get a job out of Coventry, but I'm not prepared to leave my family. I've been thinking of trying to get a shop perhaps in the food line. Everyone has to eat," he says. Another reason why men like Mr. Willis are unlikely to get new jobs in industry is that companies are unwilling to introduce older employees to their pension funds, since this would reduce the size of pensions available in other longer serving employees.

The only encouraging aspect of the redundancies is the help being given to apprentices in finishing their indentures. A small number of jobs have been found at Renold's Manchester plant for them and companies such as Rolls-Royce, Dunlop and Talbot have conducted interviews.

Of the 800 people leaving Renold only about 200 are expected to get jobs, a further 200 or so are likely to take early retirement, another 200 will be women, many of whom will stop working, and those over 60 are not expected to look for employment.

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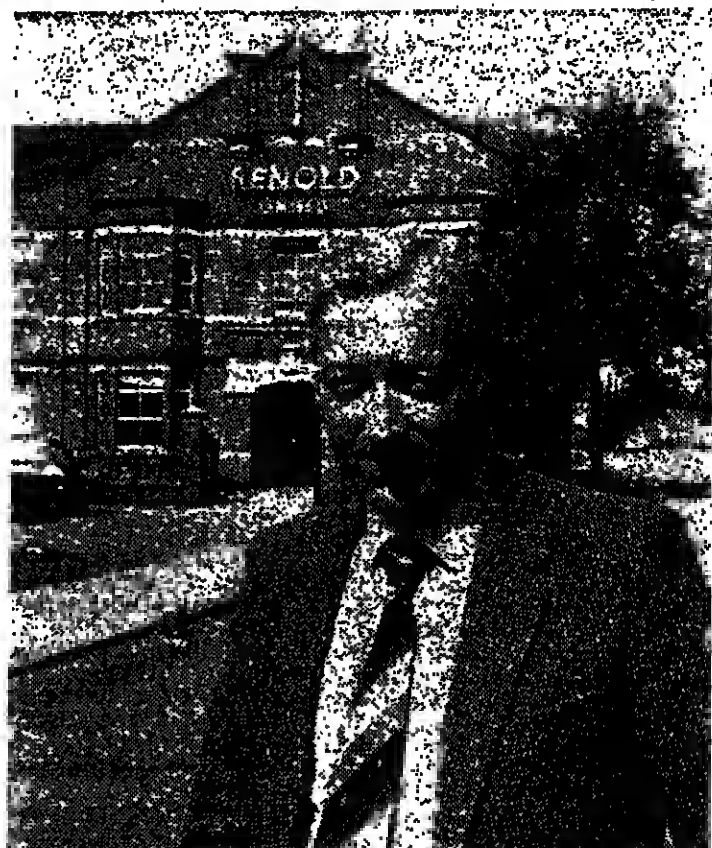
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The face of redundancy—Mr. Harry Willis outside the Renold factory in Coventry where he worked for 25 years.

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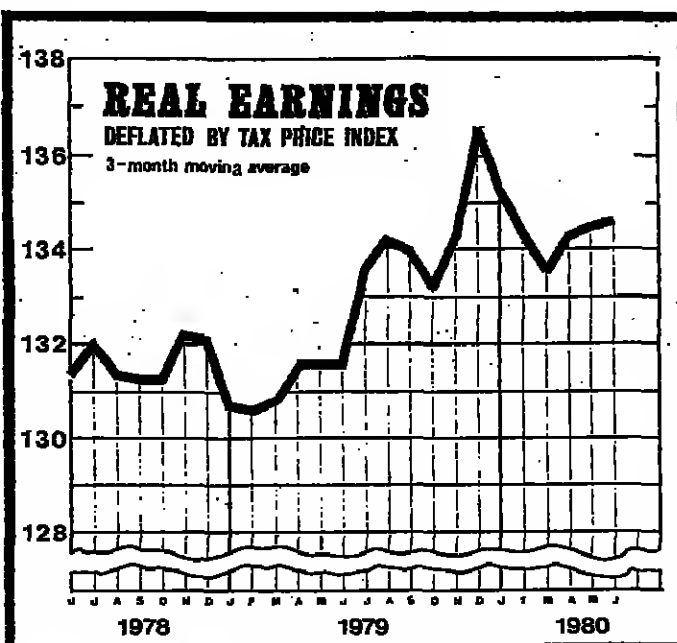
How monetary muddle damages the economy

LAST MONTH the collapse of our monetary statistics exposed the pretensions of the present monetary regime in the UK. As long as we have a central bank which insists that bank credit should be available on demand under the overdraft system, and a Government which insists that the price of credit is a matter for the market rather than the market, any attempt to control a broad measure of liquidity is largely a sham. The illusion of control may be maintained for a time through cosmetic regulations or through a drain of money through the balance of payments, but in the end the truth will out.

That truth is that any broad measure of money in this country will be dragged up, taking one quarter with another, by the going rate of inflation—which should not be too surprising, since under the overdraft system, as the Bank of England's own researchers have shown, more than half the growth of credit is a lagged result of rising costs. All that is happening is that true liquidity—the right to write cheques against overdraft facilities—is surfacing in the statistics.

Yet if the apparently ruthless monetary squeeze now appears to have been an illusion, what is causing the very real and potentially disastrous recession in the economy? One answer is that even in falling spectacularly to achieve its targets, the Government has achieved a severe reduction of even the broadest measures of money is below the rate of inflation.

However, this is not very satisfactory. First, there are still probably some nasty surprises in store as the distortions in the banking system continue to unwind. Secondly, even if the figures are reliable, it is not clear how far they are a cause and how far an



effect of the recession.

The answer, as every businessman knows, is more readily found in two figures which are only indirectly related to monetary growth—the level of interest rates and the level of the exchange rate. A rise in interest rates (whether or not they thus become positive in real terms) has the effect both of transferring very large sums from borrowers to lenders, and of driving up the exchange rate.

The present level of interest rates and of the exchange rate cannot be explained purely by resort to the monetary statistics. Even before they vanished into a fog of uncertainty, sterling exchange rate forecasts based on relative monetary growth, which circulate widely in the City, had proved spectacularly wrong. In a deep recession, interest rates are normally expected to fall, as was memorably demonstrated not long ago

in the U.S.; yet it monetary targets are supposed to guide policy in the UK, rates here ought to rise.

The truth is rather to be found in a formula which Chancellors (and schoolboys) have repeated endlessly down the years—that high interest rates or high taxes are alternative ways of squeezing the economy. The gravest damage done by monetarist over-simplification in this country has been to persuade Chancellors that the fiscal balance was not a matter of crucial importance so long as the money supply was kept, supposedly, under control. In practical terms, this has meant that Chancellors have regarded long-term borrowing, in the short term at any rate, as a perfectly adequate substitute for tax revenue.

In terms of the accounting identities which are used as a substitute for economics in

Whitehall, this is true—though the extension of this approach, using Government funding to offset private borrowing, does not work, as we are now seeing. But in terms of the real economy, the substitution is disastrous.

Monetary and fiscal squeezes may have the same effect on public sector borrowing from the banking system; but in every other respect, the effects are quite different. This can be seen in the flow of funds: a fiscal squeeze transfers funds mainly from the personal sector to the public sector, but a purely monetary squeeze transfers funds from borrowers—industry, the Government and house purchasers—to savers—banks, private persons and the overseas sector. A tight fiscal policy improves the current account of the balance of payments, but taking pressure off financial markets encourages capital outflow. A tight monetary policy with a loose fiscal policy leads to a weak balance of payments, but encourages capital inflows through high interest rates.

So far it is not obvious that there is any net effect on the exchange rate to be expected from this policy choice; in an ideal world the capital and current account effects might neatly offset each other. In the real world, however, exchange rates are currently dominated by the capital movements, and thus by interest rates, as City traders have learned from experience. This is the result of large surpluses of OPEC funds seeking long-term investment, and has very little to do with North Sea oil: very much the same picture was seen in 1974-75, before the initial OPEC surpluses were run off. The paradox of sterling rising against a weak current account can thus in principle be explained without any reference to North Sea oil.

It is largely for this rather accidental reason that the present imbalance of policy may seem to have one advantage: because high interest rates drive up the exchange rate, they are more effective than a balanced or largely fiscal squeeze in restraining prices. However, this is an illusory advantage, for the restraint is obtained almost entirely at the expense of profit margins. The other side of this coin is that a high-interest, low-tax regime actually protects real wages. Inflationary price rises may be seen as a form of stress relief in the economy, devaluing the apparent rewards of labour militancy. So far as monetary policy restrains prices, it actually validates big money wages in real terms.

In this connection it is very instructive to compare the results of the present Healey-Howe squeeze—for both Chancellors, for different reasons, have pursued the same course of monetary muddle and fiscal excess—with the Jenkins squeeze of 1969 when the public sector was actually in surplus for a time. Under Jenkins inflation remained a problem, but otherwise the response was that intended. The balance of payments improved dramatically, the economy slowed down enough to secure some shake-out of surplus labour, yet slow growth was maintained. So, more importantly, was the internal balance of the economy. For example, the share of employment income in GDP at factor cost remained virtually constant at 67 per cent, and profit flows were reasonably healthy.

This time round, by contrast, the squeeze has had some effect on inflation expectations (though not yet on performance), but has otherwise done widespread damage. The balance of payments, despite North Sea oil, worsened



A TALE OF TWO SQUEEZES: Mr. Roy Jenkins, and (right) Sir Geoffrey Howe.

dramatically, until the present slump led to some de-stocking of imports. Real wages have risen sharply, and the shape of employment income in GDP rose from 68 per cent at the beginning of 1978 to no less than 73 per cent in the first quarter of this year.

A large price adjustment—and consequently a secondary burst of inflation—will be needed to restore profitability to a level at which there is any hope of the entrepreneurial growth which the Government professes to hold as its most treasured objective. And it is worth noting that bad monetary policy met its targets, against the same fiscal background, all this grave damage would have been redoubled.

What can be done to reduce these effects before the damage becomes irreversible? The fashionable nostrum of the moment is to reduce the harm done by Government funding by transferring the marketing

seem to suppose. It arises from the fact that the improvement in our oil account implies a deterioration in the non-oil account. The exchange rate appropriate for our trading circumstances will be the one which depresses non-oil exports and raises imports enough to reach a new balance.

If North Sea oil were everlasting, we might accept this substitution fairly passively, though even so there would be a strong case for dampening the effect over a period of years, enabling industrial activity in the UK to adapt rather than collapse; in other words, policy should aim for a strong current account in the early years. Since North Sea oil is exhaustible, and thus a form of capital, strategy calls for a strong current account as long as the oil lasts.

There is, therefore, a strong strategic reason for a much higher fiscal policy, as well as a tactical one. The Government's instincts will no doubt call for yet another round of spending cuts; but in the short run this will simply transfer labour from the public payroll to the dole, at little net saving. There is no realistic alternative to higher taxes, assisted perhaps by an effort to cut the fastest-growing category of Government spending—debt service. This means exploring oil bonds, indexed bonds and other devices, dismissed by the Governor of the Bank of England as "imaginative".

The monetary authorities, meanwhile, should be fully occupied in devising reforms which will base future monetary policy on controlling a measure which has a better relation to events in the real economy, and which is actually susceptible to control, without cutting off industry's supply of long-term capital.

Anthony Harris

Letters to the Editor

The textile industry

From the Chairman, C. and J. Hirst and Sons

Sir—As could have happened on almost any day this year, your report of the proposed Dutch Government aid for its textile industry (August 22) coincided with yet another announcement of redundancies in the UK woolen textile industry.

Napoleon is reputed to have taunted the British with being a nation of shopkeepers; certainly we now seem to be on the way to becoming a nation of importers. Yet, as others in the trade have been saying for many months, even years, if we run down our own manufacturing base we are at the mercy of the foreign suppliers when it suits them to alter their terms.

Closures have taken place on a haphazard basis, with some of the survivors not obviously the strongest or the most efficient. Yet if the Dutch Government can succeed in persuading the Commission that its proposal is a proper exception to the prohibition on state aids written in the Treaty of Rome, surely the British Government should not be slow to devise its own scheme.

The textile industry does not claim special protection from imports; it only asks that it should have a secure base to serve the spirit of enterprise and determination which, in spite of all attempts at discouragement, does still exist at all levels.

Eric H. Dodson, P.O. Box 45, Swanbank Mills, Langwood, Biddersfield.

World trade in computers

From the Director, Corporate Communication International Computers

Sir—Philip Dorn (August 20) seeks to decoy your readers by missing several key points of the current discussion on world trade in computers.

My description of the United States market and its protective mechanism referred to the public sector procurement policies of the U.S. Federal and state administrations. Mr. Dorn must have heard of the Buy America Act which is efficiently and quite legitimately used by the U.S. institutions. It was invoked against ICL only last month.

The companies he refers to and all others trading in the United States have managed to obtain 3 per cent of this public sector market, and they are not the homogeneous successful group implied in his letter. The Japanese companies mentioned participate in a £1bn support programme in Japan.

Mr. Dorn is welcome to our copies of American publications listing U.S. Government contracts for research and development to computer companies. He needs only to use the U.S. Freedom of Information Act to see the scale of Department of Defence spending in this regard.

His pointer to IBM's spending on research and development is made without reference. Of course high technology companies, including ICL, spend on research and development—that is how we compete. ICL is not scared of open tenders—our worldwide

business with the exception of the 5 per cent covered by the existing U.K. Government procurement policy is all won in open competition.

I am sorry to have picked Mr. Dorn into defending the undefendable but simply by saying that these conditions do not exist, he clearly suffers from a lack of information.

ICL is busy demolishing myths and sometimes the reality is wounding to the status quo. Nevertheless, if real free trade is to eventuate, exposure of distorted markets must continue.

Alan A. Benjamin, International Computers, Bridge House, Putney Bridge, SW6.

Democratic convention

From the Senior Vice-President, Peter D. Hart Research Associates

Sir—As a representative of the Kennedy campaign on the podium at the Democratic national convention, may I comment on your correspondent's assertion that the convention's chairman, Speaker Tip O'Neill, showed "a cavalier disregard for parliamentary procedure" although I gather that in some editions the report said the compromise "was rammed through the convention".

I am not aware of a single instance, during the convention when the Speaker disregarded parliamentary procedure. The use of voice votes to decide issues is entirely proper in the absence of demands for a division of the house or a roll call. On none of the voice votes during the convention was such a demand made by any delegate.

I believe that both the Carter and the Kennedy campaigns were entirely satisfied with Speaker O'Neill's performance as chairman. He was completely fair to both sides. He worked hard behind the scenes and on the podium, to see that all points of view were expressed and that the convention proceeded smoothly. Anyone who is aware of the chaos that can result in a parliamentary body from the actions of an incompetent or indecisive chairman will appreciate the first-rate work turned in by Speaker O'Neill.

Michael Barone, Peter D. Hart Research Associates, Inc., 1734 Connecticut Avenue, NW, Washington, DC, 20009, U.S.A.

Saving the silver

From the Managing Director, Photographic Silver Recovery

Sir—You reported (August 12) that Ilford had made a discovery affecting the use of silver in black and white film. Since it concerns my company, a number of people have spoken to me about it to test the indication that they have completely misunderstood the nature of the development. May I try to clarify it?

During processing of all films, including this new development, a negative image is formed and is composed of silver, the surplus silver being removed in the fixing bath. In colour films, this silver image is removed at a later stage enabling all the sil-

ver in the original film to be recovered at the processing stage, the final image being composed of dyes.

Silver remaining in conventional black and white negatives or X-ray plates can only be recycled if and when they are sold to an organisation specialising in the techniques required. Most snapshot negatives are in the end just thrown away so that the silver is lost.

In Ilford's new film, the final

black and white image is composed of dyes rather than silver so that—as with colour film—all the silver in the original film can be recovered in the processing. Thus the description of the new film as "silverless" applies to the final image and not to the original film. The need for efficient silver recovery is thus increased.

G. C. Farmer, Delamare Road, Cheshunt, Waltham Cross, Herts.

Accounting for closures

From Mr. E. Whiting

Sir—Your columns have lately been full of news of plant closures and redundancy. I have the feeling that closure has become something of a fashion, judging by the reasons or absence of reasons, contained in your reports.

In many cases no doubt there may be no reasonable prospect, even on the most optimistic assumptions, of the plant or division concerned ever making a positive contribution to the group. It is right then that it should be closed. But the assumptions of one company's management are coloured by the assumptions of others, so that depression becomes the general view. Redundancy is not an unthinkable when everybody is doing it.

My suspicions about the rationale behind some closures are particularly aroused when the reason given is "continuing losses" or "high raw material costs." Bowater is reported to have said that it would lose at least £5m before tax at Ellesmere Port in the current year and blamed the closure on high wood and energy costs. The real reasoning behind Bowater's decision may have been very sound. One hopes that it did not decide to close a modern plant, unlikely to be overtaken by new technology, on the strength of one or two years' profit and loss accounts and high input costs which could well be temporary.

Generally the profit shown for a division in the management accounts of a company is of limited relevance to any decision to close that division or part of it. The closure of Bowater's Ellesmere Port paper mill will certainly not save £5m a year—if that is the loss shown in the divisional accounts.

Apart from the expenses of closure, of which redundancy may be only a part, there may be head office overheads and other fixed expenses against the plant which will not be saved. The profitability of other divisions may be affected by loss of input (perhaps at a favourable transfer price) from the closed plant. Depreciation, whether on a historic cost or current cost basis, becomes irrelevant if the plant would normally not be replaced in the foreseeable future. What matters is what the plant can be sold for in case of closure.

Where redundancies are the result of partial closure one wonders whether management takes into account the cost of employing people again when business picks up. The training and experience vested in existing employees may not easily be replaced.

Many managers with experience of closures and cutbacks have said that the savings are not as much as expected or take so long to achieve that, when

they do happen, the situation requiring the cuts has completely changed.

Research by Mr. David Spurrell into the performance of some engineering companies led him to the conclusion that the poor results were partly due to too much emphasis being placed on discontinuing loss-making products and operations without regard to the overall effect on the company and its markets. This was in contrast to the situation in Japan and Germany, where long-term plans are not so easily sacrificed to short-term profitability.

In our research into the effects of inflation we have found that the planning horizons of UK companies have been shortened, many looking effectively no more than one or two years ahead. The absence of a long-term view makes way for a pragmatic approach where policy is decided on short-term profit criteria. Boards of directors and management are likely to concentrate more on the detailed monthly or quarterly management accounts (as appears to be the case with British Steel Corporation closures) and to demand action on divisions showing a loss. Speed may be considered of the essence, remembering that action in 1974-1975 was sometimes too late. This time unnecessary or premature closure may be regarded as preferable to being caught in a cash squeeze.

Perhaps the trouble is that many management accounts are almost too good. They come out regularly and promptly and show what activities are profitable and what are not, on certain conventions. Basically prepared for control, they are used conveniently, and wrongly, for strategic decision making. This is certainly not the case in all companies, but many managements do have a blind faith in the accounting numbers put before them, not appreciating the golden maxim that "there are different costs for different purposes."

In spite of the apparent urgency, the full financial effects of closure and redundancy ought to be thoroughly examined and analysed before any decision is made. It should not be based just on the historic profits and losses shown by divisional accounting.

Long-term forecasting and planning have become unfashionable to an extent not known for at least 30 years. The pendulum may now have swung too far against the long-term view. Excessive closure and redundancy could be one of the consequences.

Edwin Whiting (Lecturer in Management Control), Manchester Business School, Booth Street West, Manchester.

Today's events

GENERAL

UK: Financial Times conference on Aerospace into the Eighties and Beyond, final day—speakers include Sir Henry Marking, British Tourist Authority chairman; Mr. Samuel N. McConnell, McDonnell Douglas Corporation president; Mr. Robert S. Carlson, Pratt and Whitney Aircraft Group president; Dr. Edward Spry, International Air Transport Association industry research director; and Mr. Norman Payne, British Airports Authority chairman.

International Motor Cycle Show continues, Earls Court (until August 30).

Overseas

National People's Congress standing committee meets, Peking, preparatory to main Congress meeting on Saturday, August 30. International Sports Equipment Exhibition opens, Munich.

SPORT

Crickets: Cornhill Insurance Centenary Test—England v Australia, at Lord's (until September 2).

OFFICIAL STATISTICS: Department of Energy gives details of energy trends. COMPANY MEETINGS: George Bassett, Livesey

Street, Owlerton, Sheffield, 3.30.

Cowwoods Southlands, Ripon Road, Harrogate, 12. Cocksedge, Greyfriars Road, Ipswich, 12. Coghlan, Hunslet Forge, Leeds, 2.30. Gresham House Estate, 24, Austin Friars, EC, 10.30. Gresham Investment Trust, Barrington House, Gresham Street, 12. Grovebell, Winchester House, 77, London Wall, EC, 12. Hollis Brothers, Howard Hotel, Temple Place, WC, 12. Initial Services, Connaught Rooms, Great Queen Street, 12.15. A. Monk, Green Lane, Dargate, Warrington, 3.

Negretti and Zambra, Winchester House, 100, Old Broad Street, EC, 12. Phillips Pateoils, Grand Hotel, Ayrton Street, Manchester, 12. Redland, Plasterers Hall, 1, London Wall, EC, 12.15. Violen Group, Angel Hotel, Bury St. Edmunds, 12.

COMPANY RESULTS: Final dividends: Commercial Bank of Australia, Erskine House Investments, Somportex, Stoddard Holdings, Interim dividends: Fire Forge, Hill and Smith, Imperial Chemical Industries, Kode International, Mixcocrete (Holdings), H. and J. Quick, Refuge Assurance, Scottish Agricultural Industries, Sharpe and Fisher.

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Ladbroke falls to £14m but increases interim

DESPITE a 61 per cent increase to £11m in the profits of its non-casino business, the pre-tax surplus of Ladbroke Group fell back to £14.07m in the 26 weeks to July 1, 1980, compared with £16.69m.

Mr. Cyril Stein, chairman, points out that turnover is at its highest in the second half, adding: "We believe the good trading results for the first half of the year will be maintained."

The interim dividend is lifted from 5.7p to 6.55p net—a total of 11.75p was paid for the whole of 1979 from taxable profits of £49.18m (£41.45m).

Turnover in the first half rose to £22.52m (£20.75m) of which the non-casino interests contributed £14.07m (£14.00m).

The pre-tax surplus includes profits of £2.9m from casino, social club and lottery businesses and £0.6m in respect of the collection of unclaimed cheques issued by casino clients prior to October 31, 1979.

Tax takes £5.3m (£6.32m) and after minority losses of £0.33m (£0.19m) and an extraordinary gain last time of £1.03m, the available surplus emerged at £10.7m (£11.59m). Earnings per share are shown as 15.5p (18.4p).

The directors state that the Gaming Board has now confirmed certificates of consent to transfer licences to the operators of three casinos and consent is awaited for four more. Negotiations for the sale of the remaining four casinos and the London casino assets are continuing.

A new hotel has been opened at Bracknell during August and another will be opened at Leyland, Lancs, in September. Two more will open in Warwick and Edinburgh in the spring and summer of 1981.

Lex, Back Page

HIGHLIGHTS

Among some of the major companies reporting yesterday, Bine Circle created something of a stir by accompanying the announcement of its 66 per cent cash interim pre-tax advance with a £47m cash call through a one-for-five rights issue. Lex also considers Ladbroke which reported a £2.62m interim short-fall before tax at £14.1m, but the non-casino side achieved 61 per cent growth at £11m. Associated Dairies confirmed its growth status with a strong rise to almost £50m pre-tax last year. Lex looks at the yield and the demanding price multiples attained by the successful food retailers before going on to trail a coat over the second-quarter results due from ICI today. The scene was set badly by the group's 600 redundancies in the soda ash division and the German majors, notably Bayer AG, have underlined the chemical industry's difficulties in the April-June period this year.

Thomas Robinson falls to £21,000 at midterm

FIRST HALF 1980 profits of Thomas Robinson & Son came under pressure from rising costs which eroded margins and increased manufacturing costs arising from the engineering and steel strike and not recovered in selling prices. For the six months, the taxable surplus of this engine and machine maker, showed a £155,000 decline at £21,000.

Turnover for the period rose from £3.65m to £3.9m. There was no tax charge, against £91,000 last time, and the net interim dividend is raised from 0.823p to 1p. The directors say the increase in dividend should not be taken as indicative of the final but the total distribution should be satisfactory. Last year's total payment was 4.823p from profits of £1.2m.

The directors report that the current order book is below the level of previous years but a satisfactory level of production is assured to at least the end of year.

Some progress has been made to settling the escalation and other outstanding problems in respect of the company's Iran contract, but events over the last few months have delayed progress towards a final settlement being achieved in the near future.

Labour problems associated with the plant installation of a major cereal milling contract in the Republic of Ireland have caused considerable delays in completion and resulted in significant additional cost. It is expected that this contract will be completed prior to end of this year.

Assoc. Dairies nears £50m

TAXABLE profits of super-market group Associated Dairies rose in the 53 weeks to May 3 last to £48.88m, compared with £41m for the previous 52 weeks. The surplus was struck after charging depreciation of £9.5m against £7.3m.

At midway, pre-tax profits were up from £15m to £22.5m and the directors looked forward to another record year.

Turnover for the 53 weeks showed a rise from £791m to £999m. After a tax charge little £999m. After a tax charge little £999m.

Financial results from companies registered in the Republic of Ireland will be covered on the UK Company News pages as from today.

The change is in line with the recent decision to treat Irish companies as domestic securities for the purposes of the new rules on dealings in international securities.

A final dividend of 2.25p makes a total of 4.25p net, compared with an effective 3.34p after allowing for the one-for-two scrip issue.

There is a further scrip issue on a one-for-three basis. Earnings per 25p share are given as 18.02p (12.27p) and 13.52p (8.66p) after full provision for deferred tax.

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Burroughs Machines advances

INCLUDING EXCHANGE gains of £1.43m against £0.84m, pre-tax profits of Burroughs Machines went ahead from £11.38m to £12.09m in the six months to May 25, 1980.

Turnover for the period, which is a wholly-owned subsidiary of the U.S., rose from £59.59m to £70.75m.

SSAP 15 has been adopted and tax takes £2.25m compared with an adjusted £2.04m.

Main activities of the company, which produced pre-tax profits of £26.42m in the last full year, comprise the design, manufacture and marketing of data processing and storage machinery.

Rosehaugh links with BR in new freight venture

Rosehaugh, the tea company shell which has been transformed into a significant property trading vehicle by Mr. Godfrey Bradman, yesterday unveiled a new property venture and important increases in its borrowing powers.

The property venture is an agreement between British Rail Property Board and Garonor Developments (UK), a new 93 per cent owned subsidiary of Rosehaugh, to develop "an advanced road/rail freight complex on a strategic site in Leeds."

Garonor is planning a network of these complexes over a period of years.

The announcement of the new development formed part of Mr. Bradman's annual statement as chairman in the report and accounts published yesterday.

It accompanied a circular to shareholders recommending that the articles of association be changed to increase borrowing powers from three to five times capital and reserves.

Total net borrowings in the last balance sheet were £4.2m. The new powers, if approved, would raise the limit to £28.4m at present on shareholders funds of £5.68m.

Earlier this year Tolvenne Investment, a newly established 52 per cent-owned company, announced that it had bought for

£17.3m the portfolio of commercial properties inherited by a group of institutions (including the pension funds of the coal/electricity boards and Unilever) following the property collapse of 1974.

Mr. Bradman now says that Tolvenne has made "excellent progress" in disposing of some properties and restructuring the rest of the portfolio which is held as trading stock. Tolvenne accounts for £14.5m of group turnover of £19.4m.

As already reported, profits before tax rose to £3m from £1.7m and the dividend has been lifted from 0.28p to 2.1p net to reflect the transformation of the group over the past two years.

The five-year figures show that net assets per share, which stood at 12.8p in June 1977, rose to 73.55p by June 1979 and by last June were stated at 110.13p. Earnings per share, which were only 4p by 1978 were 37.55p last year.

Royal Worcester held to £1.5m at half time

FROM sales of £22.4m against £19.42m, profits before tax of Royal Worcester were steady at £1.49m in the first half to June 28, 1980, compared with £1.44m in the same period last year.

The 1979 figures exclude Barthmann Cristall, the loss-making subsidiary of Royal Worcester Spode manufacturing glassware in Germany, which has been sold with effect from January 1.

The subsidiary was sold for the equivalent of £500,000 including inter-company indebtedness settlement of £360,000. A capital loss not exceeding £450,000 is entered and on completion group borrowings will be reduced by some £900,000, the directors report.

Tax charge in the first half is £400,000 (£252,000) with earnings per share stated as 16.6p against 18.3p. The interim dividend is maintained at 2.9p—last year's total was 8.6p on pre-tax profits of £1.49m.

Contributions to sales and operating profit—£2.09m (£1.81m)—show Royal Worcester Spode £1.28m (£1.26m) and £794,000 (£707,000). Royal Worcester Industrial Ceramics, £2.71m (£1.17m) and £220,000 (£270,000). And Weylwyn Electric, £9.58m (£7.98m) and £1.04m (£931,000).

● comment

Given Spode's pronounced seasonal weighting, Royal Worcester clearly faces a difficult second half. Tableware margins strengthened a fraction

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. div. year	Total last year
Assoc. Dairies	2.25	Oct. 20	3.8	12.5
Blue Circle	1.1	Jan. 2	0.87	2.1
Brown Brothers	2.1	Oct. 4	1.82	4.62
Ladbroke Group	6.55	Nov. 3	5.7	11.75
Mountleigh Group	3	Oct. 10	5.7	17
Thomas Robinson	1	Oct. 8	0.82	4.32
Rotrak	1.1	Oct. 31	1	2
Royal Worcester	2.9	Nov. 3	2.9	8.6
Slough Estates	1.1	Oct. 13	0.9	2.3
Sunbeam Wolsey	Nil	—	1	4.25
Victor Products	2.75	Oct. 8	3	3.74

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increase to reduce disparity between interim and final. § Final or 10p forecast.

In the first six months to 7.04 per cent but the group now says that the stock position is tightening and Spode is fighting hard to retain margins. The industrial ceramics division offers by far the best level of profitability but margins here are down by almost two points and Royal Worcester is not overtly optimistic about the level of profits in the strike affected second half last time. Much buying attention has focused recently on the electronic components manufacturing and distribution division but, Tableware margins have fallen by a point and

Pearl Assurance lifts profit 50% to £4.5m in first half

IMPROVED NEW life and pensions business in the first six months of 1980, coupled with a better general branch underwriting position, resulted in stockholders' profit of Pearl Assurance company rising by nearly 50 per cent from £3.06m to £4.49m.

The interim dividend is lifted from 5p to 7p, a 40 per cent rise, to reduce the disparity between interim and final. The company warns that stockholders should not expect a similar percentage increase in the final dividend—the total last year was 17p.

New annual premiums in the ordinary branch rose by nearly 20 per cent from £5.9m to £7m, with self-employed pension business being particularly buoyant, following Pearl's TV advertising campaign in the spring. In the accounted for £700,000 of the

increase in annual premiums, with new annuity amounts improving by over 50 per cent from £1.31m to £1.71m.

New life business rose in the ordinary branch, but the main improvement in the life business came from the industrial branch, where new annual premiums showed a true growth, ignoring increases arising from tax changes, of 24 per cent from £1.51m to £1.87m. Unit-linked business, however, declined from last year's record levels—new annual premiums being one-third lower at £1.4m against £2.1m and single premiums, not to £4m against £3.34m.

The stockholders' proportion of life business surplus, from both branches, was lifted by 20 per cent from £3.15m to £3.71m. Underlying losses, on the other hand, were marginally

higher over the period at £3.03m against £2m, despite a noticeable improvement in UK motor and property accounts. The motor account, after a profit in the second quarter, cut its loss over the period from £580,000 to £450,000, while a reduced loss in the second quarter saw the underwriting deficit on property business fall from £2.15m to £1.87m.

The company still considers the underwriting situation to be disappointing, with a significant improvement in claims experience being offset by a rise in expenses. However, a rise of one-third in the investment income from £2.06m to £2.71m trimmed the loss in the general branch from £440,000 to £230,000.

A boost to stockholders' profits came from a 25 per cent rise in investment income, less tax, on stockholder funds.

Johnson Matthey profits jump to over £10m in first quarter

FIRST quarter pre-tax profits of Johnson Matthey and Co., precious metal refiner, banker and chemical manufacturer, for 1980-81, jumped to £10.22m compared with £5.86m. Invoiced sales, excluding Johnson Matthey Bankers, totalled £221.54m for the period to June 30, against £163.77m.

For the whole of the 1979-80 year profits were a record £38.31m (£31.58m) and adjusted for a one-for-one scrip the dividend paid was 7.5p net.

Pre-tax figure for three months was struck after depreciation of £1.44m (£1.38m) and interest £2.65m (£1.36m).

After tax of £3.34m (£2.38m), an exceptional credit, last time, of £15.99m—deferred tax write-back—exchange loss of £191,000 (£1.05m), and minorities of £15,000 (£14,000), the attrib-

able balance came through at £6.88m compared with £18.21m. The amount retained was £6.88m (£2.22m) after the exceptional credit of £15.99m for 1979-79 was transferred to reserves.

As at June 30, earnings per £1 share are shown as well up at 51.5p (£4.6p).

Shareholders' funds amounted to £206.2m against £127.2m, loans were £43.59m (£43.33m) and bank deposits amounted to £89m (£28.1m). Precious metal stocks are valued at base prices plus attributable tax. If market prices had been used, the balance-sheet amount would have been higher by £76.71m (£52.55m).

● comment

The 81 per cent profit surge by Johnson Matthey in the first

quarter is a continuation of the surge triggered by the frenzy in bullion markets in the second half of last year. The gain is broadly based although bullion dealing quietened down during the quarter and colours and transfers suffered from the recession in the ceramics and plastics industries. The jewellery industry remains depressed but industrial demand for metals is showing slight signs of improvement. Net borrowings dropped £38m in the quarter and stand at a modest 21 per cent of shareholders' funds, including the premium on metal stocks over base prices. The second quarter is normally quiet and may not sustain the exciting growth rate of the past three quarters. At 210p, ex dividend, up 4p, the shares trade at less than six times fully taxed historic earnings.

Earlier this year Tolvenne Investment, a newly established 52 per cent-owned company, announced that it had bought for

Blue Circle Industries Limited

Interim Results to 30 June 1980

Progress at home and overseas

	Half Year to 30 June 1980	Half Year to 30 June 1979	Year to 31 December 1979
Turnover	£303.6	£228.3	£527.9
Trading Profits:			
United Kingdom	19.4	10.0	25.7
Overseas Subsidiaries	6.6	2.7	11.2
Share of Profits of Associates	26.0	12.7	36.9
Investment Income	12.6	9.7	19.3
Finance Charges	2.6	1.9	4.1
Profit before Taxation	41.2	24.3	60.3
Taxation	7.0	3.7	8.4
Profit after Taxation	34.2	20.6	51.9
Interest of Minority Shareholders	19.7	10.5	20.6
Profit after Taxation	14.5	10.1	31.3
Interest of Minority Shareholders	1.2	0.8	3.0
Group Share of Profits after Taxation	13.3	9.3	28.3
Extraordinary Item after Taxation	17.0	0.0	0.0
Group Share of Profits after Taxation and Extraordinary Item	30.3	9.3	28.3
Earnings per Ordinary Stock Unit before Extraordinary Item	16.4p	11.5p	35.0p

Despite the recession, home deliveries of cement in the first six months increased to 4.5m tonnes (1979: 4.3m tonnes), but it is inevitable that U.K. operations will be affected in the second half by the economic downturn. Cement prices were increased by 24% from 1 March to improve profitability in recognition of the need to modernise plant. Exports were lower at 0.6m tonnes (1979: 1m tonnes).

Profits from overseas operations showed a significant advance to £19.2m (1979: £12.3m). It is confidently expected that progress will continue to be satisfactory in the second half of the year.

Contracts are being finalised for building a one m tonnes p.a. cement plant in Indonesia and the Group will subscribe a 26.3% equity stake at a cost of US\$19m. The Group's interest in Genstar Limited in Canada has

been sold, and the profit on the disposal after tax is shown as an extraordinary item.

An interim dividend of 5p per Ordinary Stock Unit will be paid on 20 October 1980.

The Directors have announced a one for five rights issue at 300p per Stock Unit, which will raise approximately £47 million. Documents will be posted to shareholders on 1 September 1980.

Blue Circle Industries Limited
Working around the world
Portland House, Stag Place, London SW1E 3BJ.

Shipyard talks end in deadlock

TALKS aimed at settling a dispute at the Harland and Wolff shipyard in Belfast, which has led to an overtime ban by 1,400 steelworkers, ended yesterday without agreement.

The steelworkers, members of the Boilermakers' Union, have operated the ban since the beginning of the week. They claim that a productivity deal, which appears to have been accepted by the rest of the company's 7,000 workers, was approved by the Confederation of Engineering and Shipbuilding Unions without the approval of "card officials."

The company said the ban had little effect so far as the steelworkers were working only a small amount of overtime. No further talks between the two sides have been scheduled.

SPAIN		Price	%	±
August 27		228		+or-
Banco Bilbao		254		-2
Banco Central		219		-2
Banco Exterior		225		-4
Banco Hispano		120		
Banco Ind. Cat.		141		
Banco Madrid		238		
Banco Santander		215		
Banco Urquijo		110		
Banco Vizcaya		63		-2
Banco Zorrilla		67		
Dragados		63		+4
Gaspenola Zinc		71		+1
Pecsa		63		0-70
Sol. Precados		30		+150
Wid. Alcantara		67		-30
Barduardo		64		-3
Petrolase		110		
Petroliber		87		

MINING NEWS

Growth at Renison boosts full-year profit of CGFA

BY GEORGE MILLING-STANLEY

THE TASMANIAN tin producer Renison was once again the major contributor to a sharp rise in full-year profits of Consolidated Gold Fields Australia. CGFA recorded a 56.8 per cent rise in the net profit to A\$19.08m (£9.54m).

Earnings came out at 70.4 cents a share, up from 44.9 cents in 1979-80, and the dividend (total) is boosted to 23 cents a share compared with 17.5 cents last time with a final payment of 13 cents.

The 53.3 per cent-owned Renison benefited from the very strong tin price and improved metallurgical recoveries. These factors were partially offset by losses of production due to industrial disputes.

Renison's net profit of A\$25.75m easily surpassed the previous year's record figure of A\$22.72m.

CGFA said yesterday that it expects the tin price to remain high, and consequently Renison's prospects for the current year are very good, given reasonable freedom from industrial troubles.

Of CGFA's other interests, the Mount Lyell copper operation returned a net profit of A\$6.35m on the back of higher prices for copper and by-product gold and silver, in spite of lower production as a result of industrial unrest. The comparable figure for last year was just A\$428,000.

Mount Lyell is currently working to increase mill throughput and improve operating efficiency in the mine. Provided there is no significant fall in copper and gold prices, it should enjoy another good year, CGFA said.

Higher prices for rutile and zircon, and increased sales of synthetic rutile, boosted Associated Minerals Consolidated, the beach sands operation, from A\$225,000 to A\$2.63m. CGFA expects AMC at least to

maintain this improvement during the current year.

CGFA's net profit was struck before an extraordinary credit of A\$1.79m, reflecting the sale of the 64.82 per cent stake in the loss-making Bellambi coal operation.

Bellambi was sold in November last year to Shell Australia and the Australian shipping company McIlwraith MacEacharn for a net A\$12.74m, but offset against this is a provision of A\$9.94m against the possibility of failing to re-open the Gunpowder joint venture.

The operation has remained on a care and maintenance basis throughout the year, and will only re-open for conventional mining and milling if the price of copper allows a significant and sustained increase above current levels.

A copper leaching operation was started at Gunpowder during the year, and encouraging results from this have led to its expansion. CGFA said that it is possible that a full-scale leaching operation may eventually be established.

CGFA's shares dipped 10n to 460n in London last night ahead of the results.

N. American interest in Peru revived

THERE ARE signs of renewed interest on the part of North American companies in investing in natural resources exploration and development in Peru.

Mr. Pedro Kuczynski, the country's energy and mines minister, said on his return from a visit to New York and Washington that Gulf Oil of the U.S. and Huskie Oil of Canada

are interested in exploring for oil in Peru, and a number of other U.S. companies are to visit Lima in September to discuss investing in the mining and oil industries.

The Peruvian Government is planning to stimulate foreign investment in the country's natural resources, he added. Mr. Kuczynski indicated that copper was a priority, since output has not increased significantly in the past 12 years, apart from the Cuzco project.

He added that Centromin, the state mining corporation, plans to expand output at the Cobrizo copper complex, 200 miles north-east of the capital, to 26,000 tonnes of refined copper a year from the present 16,000 tonnes.

The World Bank has denied reports from Lima that it has granted Peru a loan of \$100m for the Cobrizo expansion, as part of a \$132.5m package to aid the mine, electricity and phosphates industries. It is suggested in Washington, however, that Mr. Kuczynski may have negotiated commercial bank funding of the order of \$100m while in New York.

Cobrizo, which is currently also producing 400,000 ounces of silver a year, was operated by the U.S. company Cerro de Pasco until it was nationalised in 1974.

In June 1978 the World Bank lent Peru \$40m towards a \$146.5m programme of expansion at Cobrizo, but said yesterday that its current negotiations with Peru were at a "very preliminary" stage with no decisions taken as to which projects might be supported.

According to the latest monthly summary of the bank's operations, it is considering a loan of \$30m to Centromin towards that organisation's 1981-84 investment programme, with co-financing being sought.

BIDS AND DEALS

New bidder for Lidstone

Gresham House Estate, acting for the unquoted Welsh Industrial Investment Trust, has stepped into the breach left by the withdrawal of Mr. Jack Walker's bid for Lidstone.

The troubled butcher and property investor has now received a conditional bid from Security Exchange, a Gresham House subsidiary, which is on the same terms as Mr. Walker's earlier bid through Greewalk.

Independent shareholders are to receive £2.80 per share cash. If they accept then Mr. G. M. Sitcher, Lidstone's chairman, will get £2.60 for each of his; the price differential is intended to ensure that outside holders do not suffer from the £20,000 loss expected as a result of the liquidation of Gilmore and Partners, the Smithfield meat traders.

The offer is conditional on two transactions which may be waived by Security Exchange before September 17. One of these is thought to be the prior acquisition by Lidstone of New Cavendish Estates, a property investment associate of Gresham House.

LAPORTE AND BIO-KIL

The offer by Laporte Industries (Holdings) to acquire Bio-Kil Chemicals has become unconditional and remains open. The share alternative will remain open until tomorrow, or such date as the offer becomes unconditional in all respects.

Acceptance has been received in respect of 917,270 Bio-Kil ordinary shares and 1,476,429 non-participatory convertible shares, together representing 85.7 per cent.

BAXTERS-AD INTL.

By agreement with Baxters of Bradford, the 40 per cent interest which AD International

has held in the Yorkshire retail dental company, has been bought back by Baxters.

Both companies favour this reversion to the arrangement which prevailed at the time of the original investment by AD in 1972.

M.Y. DART BUYS SQUASH CENTRE

M.Y. Dart is acquiring the Reddish Squash and Leisure Centre from the receiver for a cash consideration which, including the valuation of stocks at completion, is not expected to exceed £350,000.

The property is held on long lease from Reddish Development Corporation and the leasehold includes land for further development.

COOPER ACQUIRES MALINS FOR £0.5M

G.C. Cooper (Holdings), a company wholly owned by Mr. Charles Cooper, who retired as chairman of Cooper Industries last December, has acquired the business of Malins Engineers, manufacturer of the Mamod range of steam models.

The company has been acquired from the receiver, Mr. Alastair Jones of Peat Marwick. The consideration involved is about £500,000. As a result of the deal 110 jobs will be saved. Funding has been arranged with the support of Midland Bank.

Turnover of Malins was around £1m but the group was heavily breaking even. Mr. Cooper said yesterday that he hoped to improve sales by mounting an export drive using the resources of Morris Vulcan, the biggest manufacturer of roller skates in Europe.

LIGGETT BUYS

Liggett Group, the U.S. company now owned by Grand Metropolitan, has bought Dry

Milks Inc., a processor and blender of dairy based food ingredients.

This follows the purchase by Grand Metropolitan's Express Dairy subsidiary of substantial whey treatment facilities in Vermont. For 1980, Kentucky-based Dry Milks and the whey facilities are expected to produce total turnover some \$30m (£12.6m).

ST. MARTINS HAS 95% OF HAY'S WHARF

The offer on behalf of St. Martins (Industrial), owned by the Government of the State of Kuwait, for the Proprietors of Hay's Wharf has been accepted in respect of 30.45m (95.3 per cent) ordinary of Hay's Wharf, including 7.02m ordinary held by the Kuwait Investment Office before the offer period, and 4.59m ordinary acquired by them during the offer period.

Acceptances totalling 1,807,704 (95.3 per cent) have been received in respect of the offer for the preference shares. Both offers are unconditional in all respects.

TEBBIT OFFER ACCEPTANCES

Tebbit Group say acceptances of its recommended offer for Hensher Furniture Trades have been received from the holders of 1.46m ordinary shares of Hensher, representing 91.4 per cent; 2.86m "A" non-voting shares, representing 89.3 per cent; and 94,455 6 per cent cumulative preference shares of £1, representing 72.6 per cent.

Holders of 1.15m ordinary shares, 73.6 per cent, and 2.08m "A" non-voting shares of Hensher, 64.9 per cent, have accepted the cash offer.

The offers are declared unconditional and will remain open.

Rotork Limited

Interim Announcement

Unaudited results for the six months ended 30th June 1980

	1980	1979 (adj.)
	£m	£m
Turnover	10.85	9.06
Profit before taxation	1.48	1.43
Taxation	0.77	0.74
Profit after taxation	0.71	0.69
Earnings per ordinary share	3.4p	3.3p

It has required a 20% increase in sales to achieve profits slightly ahead of those for the equivalent period last year. Margins in the Controls division have again been squeezed by the strength of sterling and fierce international competition but the overall results have been helped by a substantial contribution from the marine business which owing to the incidence of order completions will not be repeated in the second half.

At this stage it would be unwise to attempt to forecast the outcome for the remainder of 1980, but considering the severe economic conditions throughout the world the Group expects to continue to give a good account of itself.

Dividend

The Directors recommend an interim dividend of 1.1p per ordinary share (1979 1.0p) to be paid on 31st October 1980 to shareholders on the register at the close of business on 26th September 1980. The interim dividend will be about £206,533 (1979 £186,018).

rotork

Mary Kathleen down at halfway

IN LINE with the forecast made in January of this year, net profits of the Queensland uranium producer Mary Kathleen for the first six months are almost one-third lower at A\$6.03m (£3m) than in the corresponding period of last year. As before, an interim dividend is to be paid.

Mary Kathleen, until recently Australia's only uranium producer, warned at the end of the last financial year that it had fully absorbed all the accumulated tax losses from previous years, and said that profits after taxation would be substantially lower for the remaining life of the mine. The tax charge for the first half is A\$5.6m.

Production during the first quarter was severely affected by both mechanical problems and an eight-week industrial dispute. Despite this, output of uranium oxide was slightly ahead of the first half of 1979 at 307.8 tonnes. The company is still concerned at the level of industrial disruption.

Another major problem facing Mary Kathleen is the attitude of the Electrical Trades Union, which has instructed its members employed at the mine to resign. The Queensland Government has challenged the union in the courts, and the case is continuing.

In addition, there has been a resurgence of anti-uranium activity by other sections of the trade union movement, and Mary Kathleen is vigorously resisting

attempts to close its operations down.

The company also disclosed that it has already taken steps to increase security after reports of thefts of uranium concentrates from its plants, and further measures are being developed in conjunction with the Australian Safeguards Office.

Exploration efforts around the existing ore body, close to Mount Isa, are being intensified, but so far without success, Mary Kathleen said.

The company is owned as to 51 per cent by CRA, which in turn is a 61.1 per cent-owned subsidiary of Rio Tinto-Zinc.

St. Joe plans to develop zinc mine

AMERICA'S St. Joe Minerals plans to regain its position as a low-cost zinc producer by developing its recently discovered Pierrepont zinc ore body in northern New York State at a cost of \$5m (£2.08m).

Reserves at Pierrepont are estimated to be at least 2.5m tons, grading a rich 15 per cent zinc.

Mr. John A. Wright, executive vice president of the company, said that the development of Pierrepont would allow St. Joe to reactivate part of its zinc smelting operations at Monaca, Pennsylvania, which were closed

last December.

The section of the plant to be reopened will initially produce around 50,000 short tons of zinc metal a year, some in slab form and some as zinc oxide.

The reopening of the Monaca plant will have several advantages, Mr. Wright said. It will provide a market for most of the current output of Pierrepont and St. Joe's existing operation nearby, at Balmat in New York State.

In addition, it will enable the company to dispose of the zinc-bearing materials remaining in the plant from previous operations at an economic price.

And, perhaps most importantly, it will allow St. Joe to re-enter the zinc metal business for a capital investment of less than \$2m, compared with a cost of some \$100m to construct a new plant of similar capacity.

NEW GOLD MINE FOR EASTMET

The Australian minerals and energy exploration company Eastmet expects to start open-pit gold mining operations on the Agricola prospect near Nambour, south-eastern Queensland, next year.

Eastmet has had some encouraging results from test drilling, including some assays as high as 15.65 grammes of gold per tonne, albeit over narrow widths. The company said that significant values of silver and copper were also present in the holes.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

THE TEBBITT GROUP LIMITED

(Incorporated under the Companies Acts 1908-1917)
(Registered in England No. 165571)

Share Capital

Authorised	Issued and to be issued fully paid
£4,000,000	£1,567,791
£4,800,000	£4,800,000
£8,800,000	£6,367,791

This advertisement appears in connection with the issue of 4,800,000 7 per cent Convertible Cumulative Redeemable Preference Shares of £1 each (the "new Preference Shares").

Application has been made in the Council of The Stock Exchange for the new Preference Shares to be admitted to the Official List.

Particulars relating to the new Preference Shares are available in the Extra Statistical Services and may be obtained during normal business hours on any weekday up to 14th September, 1980, from:

SINGER & FRIEDLANDER LIMITED

20, Cannon Street, London EC4M 6XE

CAPEL-CURE MYERS LIMITED

Bath House, Holborn Viaduct, London EC1A 2EU

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80	Company	Price	Change	Gross Div. (p)	Yield	P/E
High	Low					
99	52 Airsorgung	32	—	8.7	12.9	3.17
50	21 Armitage and Rhodes	170	—	3.8	18.1	7.41
100	92 Bardon Hill	170	—	9.7	6.7	6.47
100	74 County Cars 10.7% Pl.	74	—	15.3	20.7	—
101	63 Deborah Ltd.	98	—	5.0	5.1	10.7
125	88 Frank Horrell	125	—	7.9	6.3	3.51
129	88 Frederick Parker	88	—	11.0	14.2	3.11
156	85 George Blair	88	—	18.5	18.7	—
84	45 Jackson Group	82	—	6.0	7.3	3.11
153	103 James Burrough	121	—	7.9	6.5	8.8
305	242 Robert Jenkins	220	—	31.3	10.2	—
232	175 Torday	220	—	15.1	8.9	3.71
24	10 Twinkl Ord.	134	—	15.1	17.7	—
90	70 Twinkl 15% ULS	88	—	3.0	6.3	7.41
56	23 Unilock Holdings	48	—	3.0	6.3	7.41
30	45 Unilock Holdings New	98	—	5.7	5.8	5.51
100	42 Walter Alexander	245	—	12.1	4.9	4.91
245	136 W. S. Yates	245	—	12.1	4.9	4.91

(Accounts prepared under provisions of SSAP 15)

Worldwide activity at BNP

Extracts from the 1979 Annual Report of **BANQUE NATIONALE DE PARIS** and the Statement by the Chairman, M. Jacques Calvet.

Despite difficult world conditions throughout 1979 and in early 1980, business activity continued to increase at a fairly rapid rate and the volume of international trade again rose.

The world is nevertheless facing two major dangers after the latest rises in the cost of oil: inflation is affecting even the stronger economies, causing widespread monetary instability and, at the same time, non-oil producing countries in the Third World, already heavily in debt, are seriously affected by a worsening balance of payments.

Central authorities in the various countries have been obliged to cut investment programmes and public spending, to raise interest rates to ever-higher levels and strengthen credit controls.

Fortunately, many countries have adapted their economies to changing world conditions and the major banks have been able to fulfil their role in financing investments which are vital for the future, in particular in the energy field. They have also taken part in the recycling of funds by accepting the risk of lending to countries and organisations already heavily in debt; in 1980 banks will need more extensive support and assistance in this respect from the international financial organisations.

At the same time bankers have attempted to make their position in economic life more readily understood, to provide better information for their clients — especially small and medium-sized companies and private customers — and generally to improve their relationship with all those using their services.

In 1979 **BANQUE NATIONALE DE PARIS** continued to pursue with success the policies laid down in previous years which is reflected in the increase in both activity and profits.

The measures necessary for the implementation of our policies are the development of business both in France and throughout the world, the improvement of productivity, the decentralisation of management and a renewed effort to strengthen co-operation between all sectors of the bank.

From this firm base we can look forward with confidence.

International Development

BNP openings in 1979/80

- Branches:**
- Germany, Federal Republic (Hamburg)
 - Grand Cayman (Georgetown)
 - Italy (Milan)
 - Japan (Osaka)
 - Jersey (Saint Helier)
 - Netherlands (Rotterdam)
 - Spain (Madrid)

- Representative Offices:**
- Colombia (Bogotá)
 - Germany, Democratic Republic (Berlin)
 - Jordan (Amman)
 - Macau
 - Nigeria (Lagos)
 - UAE (Abu Dhabi)
 - Yugoslavia (Belgrade)

- Subsidiary:**
- USA (San Francisco)
 - BANK OF THE WEST** becomes a member of the BNP Group

Other openings due in 1980

- Branches:**
- Argentina (Buenos Aires)
 - UK (Manchester, BNP Ltd)

- Representative Office:**
- Rumania (Bucharest)

Consolidated Figures of the BNP Group for 1979

	1978 Million FF	1979 Million FF	1979 Million US\$*	Percentage Increase
Consolidated balance sheet total	325,625	397,414	98,859	22%
Total deposits	320,155	391,480	97,383	22.3%
Net consolidated profit	528	584	145	11%

* Calculated as at 31.12.1979 at FF 4.02 = US\$1

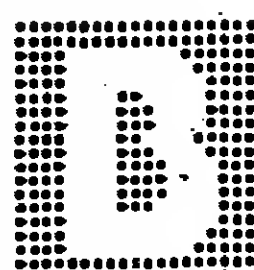
Banque Nationale de Paris

Head Office, 16, Boulevard des Italiens, Paris 75009, Tel: 244-45-46 Tlx: 280 605 — 2000 branches in France

U.K. Subsidiary

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Near 33% profit rise for Brown Brothers

SIR MONTY PRICHARD, chairman of Brown Brothers Corporation, the distributor of motor accessories, reports record sales and profits in his first year as chairman.

Pre-tax profits for the year ended June 30, 1980, rose by 32.9 per cent from £3.13m to £4.16m, on increased turnover of £93.07m compared with £88.38m. Tax took £126,000 against £187,000.

Sir Monty attributes the major part of the profit improvement to product rationalisation, greater specialisation and the concentration of efforts on specific market segments and customer requirements within those segments.

At mid-term, pre-tax profits were £1.85m (£1.72m).

Earnings per 10p share at year end were better at 8.9p (£8.9p). The final dividend is up from 0.87p to 1.1p, lifting the total to 2.1p (1.4p). On a CCA basis, the profit before taxation is reduced to £1.35m (£1.48m).

The attributable balance was £4.54m (£2.97m) after minority

profits of £2,000 (same) and an extraordinary credit of £506,000 realised on the sale of a non-trading subsidiary.

After dividends of £964,000 (£842,000), the retained amount was £3.57m (£2.33m).

comment

The benefits of product rationalisation at Brown Brothers continue to show through. Second half trading margins are up by almost 2½ points but sales are ominously static. Destocking in the motor industry hit Brown's final quarter and there is no sign of relief as yet. With engineering still a fairly insignificant part of the group, Brown's profits are highly vulnerable to a decline in component sales volume. Yet the company has at least one more year of minimal tax payments ahead of it and the balance sheet is solid, despite an exceptionally high proportion of floating rate debt. The shares, up 1p at 29½p, trade on a fully-taxed p/e of 6.5, which looks beyond the short-term problems and probably contains an element of speculation that Dana, the U.S. parent, will

bid for the minority. The yield is 10.6 per cent and is backed by a dividend cover of 1.8 times, on current cost earnings.

Letraset profits outlook

IN HIS annual statement, the chairman of Letraset warns that it may well be difficult to match last year's pre-tax profits of £12.1m.

He says the first quarter of the current year indicates that graphic division sales remain firm, though Stanley Gibbons continues to trade at a less than satisfactory level and market conditions for leisure products remain extremely difficult. The accounts show an extra payment of £35,000 to a former director and a payment of £38,000 for compensation for loss of office.

Victor Products expands to £1.75m

TAXABLE profits of Victor Products (Wallend), industrial and mining equipment manufacturer, expanded in line with expectations to £1.75m in the year to April 30, 1980, compared with £1.59m.

At mid-way, when the surplus was up from £543,200 to £703,800 despite the effects of the engineering strike, the directors anticipated some growth, but said the year would mainly be one of consolidation.

Earnings after tax of £1.44m (£1.39m), are shown as 17.85p (£17.67p) per share and the dividend is lifted from 3.743p to 4.25p net with a final of 2.75p.

Turnover during the year was £1.44m ahead at £11.66m.

In the current year, the target for growth in excess of price increases has been achieved in the first quarter, say the directors, and they expect it to be achieved at the half year. But maintenance of this progress in the second half depends on the assumption that the recession will not deepen significantly in the energy-related fields which the group serves, they add.

A small, short-term downturn in sales to the National Coal Board is anticipated as the board meets Government cash limits against a background of low current demand for coal in the UK. But this should be offset, say the directors, by a resumption of interest in North Sea oil activities and by a more determined attack on export markets.

comment

Now that coal is identified as a growth industry, investors have high expectations for Victor Products (Wallend). The 10 per cent pre-tax profit gain announced yesterday was only slightly shy of most estimates but the shares fell 7p to 205½ where they still trade at 11.6 times stated earnings and yield only 3 per cent. The total dividend is up 13.5 per cent but the final is cut 8 per cent and the company is forecasting very little real growth to the current year. Sales of mining equipment to the company's main customer, the National Coal Board, remain sluggish because of the NCB's cash limits and margins on export sales, reduced from 15 per cent to 10 per cent of turnover this year, are squeezed. Sales of lighting equipment to the oil industry are picking up and should make up for the sluggishness in coal. Retained profit on a CCA basis last year was £560,000 compared with £1m on an historic basis.

But the directors warn that should profitable demand prove insufficient to justify present levels of production, they will not hesitate to reduce further the company's involvement. The board intends to introduce payment of an interim dividend, payable in May, 1981.

Blue Circle well ahead so far—£47m cash call

ON TURNOVER well ahead from £228.3m to £303.6m, taxable profits of Blue Circle Industries, cement manufacturer, expanded to £34.2m for the first six months of 1980, compared with £20.6m. Also announced is a one-for-five rights issue at 300p per stock unit, to raise some £47m.

Profits for the whole of 1979 amounted to £51.9m. In June the directors added they expected first-half results to show a welcome improvement over the corresponding period of last year.

Although the home market kept up well in the six months—home trade cement deliveries rose from 4.3m tonnes to 4.5m tonnes—in spite of the growing recession to the construction industry, UK operations will be affected in the second half, the directors say, by an inevitable fall in demand and by the full impact of increased fuel and labour costs.

Profits from overseas operations, before tax and minority interests, showed a significant advance to £19.2m (£12.3m), despite strong sterling, and it is confidently expected that progress will continue to be satisfactory in the second six months.

Earnings per £1 share are shown as 16.4p against 11.5p, so the interim dividend is boosted by 31.6 per cent to 5p

(3.8p) net. And the directors recommend a final of 10p (8.7p) on capital enlarged by the rights issue.

Dealings in the new ordinary stock units in oil paid form, will begin on September 2.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are intended or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY
Imperial Chemical Industries, Kodak International, Lee Refrigeration, Macdonald, H. and J., Quick, Scottish Agricultural Industries, Sharpe and Fisher, Yorkshire Chemicals.

Finals: Commercial Bank of Australia, Eastern Bank Investments, Sompertex, Standard.

FUTURE DATES
Interims—
Church Sept. 3
Claverhouse Investment Trust Sept. 3
Coastal Sept. 4
Morrison (William) Sept. 25
Small (John C.) and Telford Sept. 3
Walmouths Sept. 30

Finals—
Elder Smith Goldsbrough Mort. Sept. 16
C.T. Asia Starling Fund Sept. 1
Gaunt (Rowland) Sept. 2

(3.8p) net. And the directors recommend a final of 10p (8.7p) on capital enlarged by the rights issue.

Dealings in the new ordinary stock units in oil paid form, will begin on September 2.

Pre-tax figure, which included associates' share of £12.6m (£9.7m) and investment income of £2.6m (£1.9m), was struck after finance charges of £7m (£7.7m) and depreciation of £21.6m (£15.8m), which has been provided on the depreciated current replacement cost of fixed assets.

Profits would have been increased by some £15m (£12.4m) had depreciation been on an historic cost basis.

Six months tax takes £19.7m compared with £10.5m and after minority interests of £1.2m (£0.8m) and an extraordinary credit of £17m, the attributable balance was up from £9.3m to £30.3m.

The extraordinary item represents the profit on disposal of the group's interest in Genstar, of Canada.

Contracts are being finalised, the directors state, for the construction on a 1m tonnes per year cement plant in Indonesia, at a projected cost of US\$200m, which will serve the Sumatra market.

The group will subscribe a 26.4 per cent equity stake for £19m, and will provide the management under a management services contract.

Lex, Back Page

Cement Roadstone 22% growth first half

THE DIRECTORS of Cement Roadstone Holdings, Irish building materials group with major interests in the UK and overseas, report pre-tax profits of £12.13m for the first six months ended July 6, 1980, an increase of 22.4 per cent over the £10.7m in the same period last year.

Volumes were good in the first quarter but then declined, the directors say. However, they will be disappointed if the profit progress is not maintained for the year.

First-half earnings per share are stated as 6.92p, against 6.23p, and the interim dividend is lifted from 1.82p to 2.1p, the total last year was 4.62p from pre-tax profits of £24.14m.

Sunbeam Wolsey setback

WITH TURNOVER down from £11.87m to £9.41m, pre-tax profits of Sunbeam Wolsey, the Cork-based hosiery and knitwear manufacturer, plunged from £804,000 to £42,000 for the half year to June 30, 1980, and the interim dividend is omitted.

The directors say conditions are still extremely difficult and the current situation would not justify the payment of an interim—last year's interim was 1p out of a total of 5p, which was paid from pre-tax profits of £1.45m (£1.45m).

The directors say they add, indicate a difficult trading situation which all companies in the group experienced.

The attributable balance was £53,000 (£428,000), after minority losses of £11,000, against profits of £228,000. There is no tax charge, against £150,000, last time.

ARLINGTON MOTORS

At the annual meeting of Arlington Motors yesterday, chairman Mr. N. C. N. Housden said: "I would not add to my statement with the accounts save to state that during the first quarter of this year the group traded profitably although below the record level achieved in the first quarter of last year."

Rationalisation at Rotaprint

IN ORDER that Rotaprint can operate within the limits of capital available to it and having regard to the severe additional demands imposed by increasing cost inflation, the directors, with the support of the company's bankers, have taken a number of decisions to rationalise operations.

Following the profit warning, reported yesterday, Mr. G. C. Nicholls outlines the rationalisation programme in his full annual statement.

Some less profitable operations have been, or will shortly be, closed and one of the two freehold factories is to be sold as manufacturing capacity is now greater than is needed. In

order to raise liquid funds the other factory is also being sold but with a lease-back for the continuation of operations. In addition, it is intended to cease manufacture at Washington, Tyne and Wear.

Mr. Nicholls says the company has been under capitalised for a number of years. UK inflation during the past few years has prevented the company from making sufficient profits to enable it to attract new capital, but during the past year there has been one other special factor—the contingent liability to meet claims against the company in France arising out of the alleged wrongful summary termination of the distribution agreement with the company's

former distributor in that country.

The existence of claims has discouraged some potential investors from investing new capital so it has been deemed advisable to seek with the co-defendants an out-of-court settlement at a reasonable price so that the financing of capital requirements can proceed on a normal basis.

No agreement has been reached but claims have been reduced by some £2.5m. The contingent liability of the company is now set at around £1.7m. However, the directors say they do not consider the claims to have any substance and they are being strongly defended.

Mountleigh progress continues

TAXABLE PROFITS of Mountleigh Group, worsted manufacturer and property investment and development concern, continued their mid-term advance and finished the year to April 30 last at £740,000, compared with £347,000 for the previous 12 months.

At half-way there was a surplus of £235,057 (£160,046) despite a loss from the manufacturing division.

Turnover for the year was a shade lower at £5.13m (£5.24m) but after an exceptional charge of £49,000 (null retained profit

still showed a rise from £285,000 to £570,000. There was again no tax charge.

Dividend per 25p share is raised to 3p net, against 1.44p. Earnings are shown as 17.25p (£8.64p).

The surplus was struck after a contribution from the property developments division of £800,000 (£254,000).

This division, the directors say, has made a good start to the current year and the development programme is progressing satisfactorily. Chairman Mr. E. Ball, says the current year will

demonstrate this division's continued success.

In worsted manufacturing, action has been taken to reduce costs, improve efficiency and equate production with demand and the division is now a viable production unit.

But the directors warn that should profitable demand prove insufficient to justify present levels of production, they will not hesitate to reduce further the company's involvement. The board intends to introduce payment of an interim dividend, payable in May, 1981.

SKF

Interim statement

SKF Group Sales for the first six months of 1980 rose by 18% to 6,502 million Swedish kronor compared with 5,496 million for the same 1979 period. Profits more than doubled to 535 million kronor (237) before exchange differences, extraordinary items, provisions and taxes.

The improved figures stem, on the one hand, from continued high demand for SKF products despite the business downturn in the USA and signs of weakening markets in Europe. While on the other hand higher capacity utilization and good productivity development have meant that manufacturing costs have risen slower than the rise in sales.

Despite the slowdown in the economic activity, there is no indication that the demand for Group products will undergo any radical change during the rest of the year. The significant income improvements earlier forecast for 1980 should accordingly be achieved.

Comparison tables including the financial year 1979:

Mkr=million Skr	Jan 1st to June 30th 1980		Jan 1st to Dec 31st 1979	
	Mkr	%	Mkr	%
Group net sales	6,502	100.0	5,496	100.0
Operating income	81	38	153	2.8
Operating revenue	6,585	5.534	11,215	20.4
Cost of goods sold	4,400	67.7	3,826	69.6
Selling, administrative and technical development expenses	1,195	18.4	1,040	18.9
Operating income before depreciation	988	15.2	668	12.2
Scheduled depreciation	230	3.6	237	4.3
Operating income after depreciation	758	11.6	431	7.8
Financial income and expenses—net	-223	3.4	-194	3.5
Income before exchange differences	535	8.2	237	4.3
Earnings per Parent Company share, Skr	15.65	7.05	14.15	3.1
Capital expenditure, Mkr	-192	170	407	7.4
Average number of employees	53,065	54,028	53,994	98.1
Group sales by product field*	Mkr	%	Mkr	%
Rolling bearings	4,770	68.2	4,110	69.7
Steel	1,140	16.3	910	15.4
Cutting tools	290	4.1	235	4.4
Other products	800	11.4	620	10.5
Total	7,000	100.0	5,875	100.0

*Sales figures include internal deliveries between the product fields.

First half rise for Dunlop Estates

Pre-tax profits of Dunlop Estates Berhad of Malaysia, controlled by Dunlop Holdings, improved by 8.1 per cent to Ringgits 18.2m for the first half of 1980.

Turnover advanced to Ringgits 75.5m, a rise of 10.3 per cent, and the interim dividend is unchanged at 10 sen per share.

Noting weaker commodity prices, especially for edible oils and cocoa, compared to levels of a year earlier, Dunlop Estates says that earnings are expected to be lower for the full year.

MALAYAN TIN ACCEPTANCES

Malayan Tin Dredging's merger scheme has received acceptances totalling more than 90 per cent from Southern Malayan, Southern Kinta and Lower Perak and is proceeding to compulsorily acquire the companies' outstanding shares.

The other romantics involved in the six-company merger are Kramat Tin, a listed company for which acceptances received

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BURTONWOOD BREWERY COMPANY (PORSHEWS)

The thirty-first Annual General Meeting of Burtonwood Brewery Company (Porshews) Limited was held on 21st August at Burtonwood, Cheshire. MR. RICHARD L. GILCHRIST, M.B.E., F.R.D., the Chairman, presiding. The following is taken from his statement circulated with the report and accounts for the year ended March 31st, 1980.

Chairman's Statement
I am very pleased to report that your Company has been able to maintain its growth in turnover, and profits, despite the financial year despite the adverse effect of our business of the domestic economy. UK economy, which has been illustrated particularly by a continuing increasing level of unemployment and a very high rate of inflation. It is gratifying therefore that, in this most difficult trading environment, we have managed to increase turnover and profit before tax to new record levels of £1,597,000 and £2,165,000 respectively. Our wines and spirits, Company, J.B. Almond Ltd., Stanish, has performed very satisfactorily in the last year and has contributed significantly to the Group's increased profit.

In accordance with the improvement in trading results, the Directors now recommend a final dividend of 2.82p per share which, together with the interim dividend of 1.695p per share makes a total for the year of 4.515p per share, an increase of 10% over 1979.

Although rapidly escalating costs have made conservation of cash resources a very high priority, your Board has continued to attach great importance to the maintenance and improvement of the Company's licensed estate. In this connection, £1,400,000 was spent during the year as a continuation of the substantial programme of improvements and repairs to licensed premises which was embarked upon two years ago, and on the acquisition and building of new licensed houses.

I would like to thank all our employees for their hard work and dedication which has been in no small way responsible for the satisfactory results that we have enjoyed this year. In recognition of the past contribution and loyalty of our employees we have set up a new approved employee share scheme under the 1978 Finance Act for the benefit of all employees.

I look to the future with some caution. The very high levels of unemployment, particularly in the North West, and the uncertainty attaching to the other problems of the UK economy make it difficult to be optimistic about the immediate future. However, with the continuing support of our workforce and the Unions, your Company is well placed in the longer term to continue as a successful independent brewery.

A COUNTER BID FOR TANJONG?
Tanjong Tin Dredging yesterday requested the suspension of

LONDON TRADED OPTIONS									
Option	Ex. rate	Oct.		Jan.		April		Equity close	
		Closing price	offer	Closing price	offer	Closing price	offer		
BP	360	19	—	25	—	46	1	351.0	
BP	140	31	—	25	—	41	—	167.0	
Com. Union	180	15	30	22	—	55	—	—	
Com. Union	180	15	30	22	—	55	—	—	
Com. Gold	580	34	1	55	—	73	—	527.0	
Com. Gold	500	15	2	33	2	10	—	—	
CEC	420	94	5	113	—	—	—	646.0	
CEC	460	80	2	86	—	104	—	—	
CEC	560	11	21	33	81	54	—	—	
Grand Met.	180	12	75	11	—	27	—	165.0	
Grand Met.	330	35	10	45	3	—	—	358.0	
ICI	360	15	25	28	—	38	—	—	
ICI	360	6	14	13	9	25	—	—	
ICI	420	1	—	—	—	—	—	—	
Land Secs.	353	54	3	3	3	—	—	867.0	
Land Secs.	353	29	30	30	1	—	—	102.0	
Mar. & Sp.	290	32	1	62	30	62	—	417.0	
Shell	430	22	31	34	81	48	—	—	
Totals			401						
		August		November		February			
Imperial Oil	70	12	25	15	—	17	—	23.0	
Imperial Oil	80	2	146	7	—	10	—	—	
Imperial Oil	74	15	56	24	4	6	—	22.0	
Lonrho	84	9	4	17	—	30	3	—	
Lonrho	104	—	18	10	—	17	—	—	
Lonrho	114	—	22	7	26	107	7	—	
P. & O.	100	33	11	28	—	28	—	134.0	
P. & O.	110	2	7	30	3	33	—	—	
P. & O.	120	3	21	14	2	18	—	—	
Racal Elec.	220	81	4	93	—	102	—	301.0	
Racal Elec.	240	61	3	75	—	85	—	—	
Racal Elec.	260	41	4	57	—	70	—	—	
Racal Elec.	280	41	32	41	2	55	—	—	
Racal Elec.	300	1	1	28	50	42	—	—	
RTZ	360	62	1	27	—	132	—	471.0	
RTZ	460	16	1	24	—	53	—	—	
RTZ	500	12	13	24	11	45	1	—	
Totals			443		210		16		

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(Incorporated under the laws of Canada)

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The Notes, in the denomination of Canadian \$1,000 each issued at 100 per cent, have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes. Interest is payable annually in arrears on 15th September, commencing on 15th September, 1981.

Particulars relating to the Notes are available in the Exel Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 11th September, 1980 from the brokers to the issue:

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Heron House,
319-325 High Holborn,
London WC1V 7PB

R. Nicolson & Co.,
25 Austin Friars,
London
EC2N 2JB

28th August, 1980



Banco de la Nación Argentina

\$350,000,000 Euro-dollar loan

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Landesbank Stuttgart (London Branch)
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CANADIAN IMPERIAL BANK OF COMMERCE
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—New York Branch—
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Companies
and Markets

INTL. COMPANIES & FINANCE

Sharp gain in first half for Dutch papermaker

By Our Financial Staff

BUCHMANN - TETTERODE, the Dutch paper, packaging and publishing group, reports a 35 per cent rise in FY 27.7m (\$14m) in pre-tax profits for the first half and expects a considerably higher result for the full year.

The company has been aided by strong sales growth and a reduction in losses at its Belgian paper-making plant. Having incurred a net loss of F1 10.7m for the whole of 1979, the Belgian subsidiary should finally break even during the final quarter of this year.

Sales for the six months are 25 per cent higher at F1 12bn with all three divisions contributing to the upturn. In paper and board manufacturing, sales rose by a fifth including a gain in volume of around 6 per cent.

Gross operating results were F1 62.3m compared to F1 39.6m. Interest charges rose from F1 19.1m to F1 34.7m and the taxes rose F1 3m to F1 11.7m. At the net level, profits emerged 24 per cent ahead at F1 20.7m.

Buchmann said that capital spending during the half year compares roughly with its charge for depreciation which rose by 14 per cent to F1 33.0m.

Recession bites at Bayer during second quarter

BY KEVIN DONE IN FRANKFURT

BAYER, one of the leading West German chemicals companies, is suffering increasingly from stagnating domestic and foreign demand.

Last year's strong growth of group profits and sales carried through to the end of the first quarter but has been overtaken by the mounting recession in important world markets.

Sales volume in the second quarter fell below last year's high level with a particularly sharp decline in June. As a result the after-tax profits of the parent company declined in the second quarter by 14.4 per cent to DM 231m (\$130m) from DM 270m a year earlier.

The group's performance in the first half, however, was boosted by the strong growth in the first quarter. Group sales worldwide increased by 13.4 per cent to DM 15.1bn, while group pre-tax profits were up by 13.6 per cent to DM 920m.

Bayer's group performance

has also been helped by the substantial recovery made by its 60 per cent-owned subsidiary, Agfa-Gevaert. The German/Belgian photographic products group, hit by the rocketing silver price and stiff competition, reported a loss of DM 116.9m last year.

In the first six months of 1980, however, product price increases and cheaper silver has allowed Agfa-Gevaert to make up much of the lost ground.

Bayer's worldwide operations have been hit by the gathering recession, however, in the second quarter. Group sales from April to June were up by only 4.9 per cent to DM 7.5bn in the first quarter.

The contrast between Bayer's performance in the first and second quarters has already been mirrored in the results of the other major West German chemical groups, Hoechst and BASF.

Sales by the parent company were up by 10.3 per cent in the first six months of 1980, but in the second quarter the increase was only 2 per cent above the corresponding period of 1979.

Despite the boost given by price increases, the Bayer parent company saw not only the volume but also the value of sales in the domestic market fall by 2 per cent in the second quarter. Exports still managed a small rise of 4.2 per cent, however, with the result that foreign sales accounted for 63 per cent of the parent company's total in the second quarter against 61.6 per cent a year earlier.

Parent company pre-tax profits in the first half of 1980 rose by 6.7 per cent to DM 507m. But falling demand means that plants are having to operate at less efficient rates. As a result parent company pre-tax profits plunged by 14.4 per cent in the second quarter.

Elf and Total in chemical deal

BY DAVID WHITE IN PARIS

FRANCE'S TWO major oil companies have finally worked out an agreement on sharing the heavy chemical interests being sold by the Rhone-Poulenc group. The Ffr 1.75bn (\$420m) worth of assets, which Rhone-Poulenc agreed seven weeks ago to sell to the state-controlled Elf-Aquitaine oil group, are to be brought into a new company in which Compagnie Française des Pétroles — the Total group — will hold 50 per cent.

The settlement is the result of intensive talks following a public demand by Total to be given an equal interest in the acquisition. The two oil groups pooled their petrochemical interests in 1971 to a 50-50 venture, Ato-Chimie, and agreed then to offer each other shares in any new expansion in the sector.

Total had warned against the threat of "insidious nationalisation" if Elf kept control of the new interests.

Its success in maintaining an equal position can be seen in the light of the recent top management shake-up at Elf-Aquitaine and the row between the Industry Ministry and M. Alain Chalandon, Elf's chairman. Last month, M. Chalandon was ousted from his post as head of Erap, the company which holds the State's 87 per cent shareholding.

The Government, which also has 35 per cent of Total, clearly lent a sympathetic ear to Total's request.

The former Rhone-Poulenc activities will not, however, be brought directly into Ato-Chimie, as was originally expected. Under the July deal, Rhone-Poulenc is to keep a 20 per cent stake in this side of its business. Total will now pay for half the 80 per cent that Elf was to have had.

However, managers from Ato-Chimie are to be brought into the new company and at a later stage it is thought that the two may be welded together into one big petrochemical unit.

The new assets, which include virtually the whole of Rhone-Poulenc's polyvinyl chloride (PVC) production cycle and part of its interests in chlorine, represent current annual sales of around Ffr 5bn. This compares with Ato-Chimie's 1979 sales of Ffr 7.9bn.

The new company will be the British Petroleum group's partner in Naphtachimie, a petrochemical unit up to now controlled by Rhone-Poulenc. BP's French subsidiary, recently agreed to raise its stake in Naphtachimie to 50 per cent.

Brown Boveri margins weaken

BY OUR FRANKFURT CORRESPONDENT

BROWN BOVERI, the West German subsidiary of the Swiss engineering group, is experiencing heavy pressure on profit margins.

In an interim report published yesterday the company admits that the stiff competition in both domestic and foreign markets meant that cost increases for both materials and labour could not be passed on in higher product prices.

Rationalisation measures already completed have not been enough to halt the decline in

profitability and Brown Boveri warned that further restructuring steps would be necessary.

New orders taken in the first six months fell 1 per cent below the level achieved in the same period last year at DM 2.17bn (\$1.2bn), but the new work has been spread unevenly among the group's various activities.

Working to the company's switchgear and electric motor plants has fallen to a low level, and short-time working has been introduced at BBC's electric motor plant at Saarbrücken.

Group sales have registered a

modest increase of 5 per cent in the first six months, however, to DM 1.76bn compared with DM 1.67bn in the same period last year.

About 44 per cent of sales were made in foreign markets while turnover from process plant sales has more or less stagnated in the first half.

Despite the increase of 5 per cent in sales in the first six months, Brown Boveri is expecting little improvement overall in 1980 over last year's turnover of DM 3.97bn.

Recovery continues for Swedish shipping group

BY WESTERLY CHRISTNER IN STOCKHOLM

SALENINVEST, the Swedish shipping group, reports consolidated earnings of SKr 119m (\$23.2m) for the first half of 1980. This represents a further recovery from the loss of SKr 13m a year earlier and profit of SKr 11m for 1979 as a whole.

However, SKr 108m of the first half profit was extraordinary income, including SKr 107m from the tax-free transfer of shares in J. S. Saba, a produce importing firm. Salen held a 40 per cent interest in Saba.

Group sales to the end of June were SKr 1.7bn, up SKr 505m against SKr 2.7bn for the last full year. Sales of ships during the first half resulted in income of SKr 66m.

For the second half Salen expects no overall pre-tax earnings because of a "weak" tanker market and seasonally depressed demand in the refrigerator ships market. But it still expects the group result to improve over last year's. The management are more optimistic than at the beginning of this year.

Tanker activities resulted in a loss during the first half, while

the result for the dry cargo operation was described as "very good." Tor Line, the Gothenburg-based passenger/cargo ferry operator, also showed a loss for the period. No figures were given. The Toyota Auto-import subsidiary was sold for SKr 10m.

● Fagersta, the Swedish special steels group, more than doubled its pre-tax earnings during the first half to SKr 77m (\$18.2m) from a year earlier.

Fagersta estimated that Sweden's spring labour strike reduced the result by SKr 8m-10m while continuing start-up problems at a new smelting unit for crude iron production also reduced the profit.

Group sales were SKr 1.16bn at the end of June, up 26 per cent. The group order book totalled SKr 1.1bn against SKr 996m a year ago, reflecting the effect of both the labour conflict and dampened demand from the U.S.

Group profit for the full year is expected to reach SKr 85m-95m, compared with SKr 71.6m last year. Sales are forecast to reach SKr 2.1bn against SKr 1.89bn.

Labour strife causes loss at Svenska Flakt

By Our Stockholm Staff

SVENSKA FLAKT, the Swedish industrial ventilation and pollution control group, posted a pre-tax loss of SKr 2.4m (\$588,000) for the first six months compared with a profit of SKr 1.9m a year earlier.

While the Swedish labour strikes in May cost Flakt an estimated SKr 10m, the result held up to an April forecast by Mr. Bengt Berg, managing director that the group expected a weak first half for both earnings and sales. Group sales reached SKr 1.6bn (\$384.7m) compared with SKr 1.39bn.

For the full year Flakt is sticking to its forecast of improved earnings and sales compared with 1979. Last year, Flakt reported pre-tax earnings of SKr 108.6m on sales of SKr 3.4bn. The second half is usually stronger for Flakt because it involves most construction and contracting orders just before year-end.

Group order inflow from January to June increased by 26 per cent to SKr 2.35bn, and it predicts it will surpass the 1979 total of SKr 3.95bn. Order backlog reached SKr 4.5bn, against SKr 3.7bn.

Statoil swings into the black

BY FAY GJESTER IN OSLO

STATOIL, Norway's state oil company, which expects to show its first full-year profit this year, reports group pre-tax profit after extraordinary items of Nkr 51.3m (\$10.5m) in the first half. Group external sales reached Nkr 3.6bn.

The result was achieved despite a six months' loss of Nkr 40m at Norol. Statoil's refining and marketing subsidiary, Statoil raised its stake in Norol from 15 per cent to 73.63 per cent on January 1.

Statoil, until now in the investment and development phase, reported a net loss for the whole of last year, after financial costs and depreciation, of Nkr 217m. The move into profit is coming somewhat earlier than expected because of

the steep rise in oil prices. Statoil's main source of income is its 44.44 per cent stake in the Anglo-Norwegian Statfjord field. Oil output from Statfjord reached nearly 1.3m tonnes in the first half.

● Norske Skogindustrier, a Norwegian producer of paper, pulp, chipboard and sawn timber, reported net profit before extraordinary items of Nkr 25m for the first half, down from Nkr 32m a year earlier. Turnover rose to Nkr 713m from Nkr 612m.

Product prices have not kept pace with the steep rise in costs, particularly of labour and logs, the company said. Results for the whole of the year are expected to be slightly below those for 1979.

● Kvaerner Industrier, parent of the Norwegian Kvaerner engineering and shipbuilding group, is asking shareholders to approve an increase in share capital from Nkr 180.5m to Nkr 104.6m.

The money will be raised through a one-for-four rights issue and the new shares will be entitled to the full 1980 dividend. Subscription lists will be open from September 28 to October 10.

Kvaerner, which has won several major offshore fabricating contracts including the deck for the Statfjord field's second platform, made a group profit last year of Nkr 109.3m, up Nkr 28.3m from a year earlier. External sales at Nkr 2.5m were up 15 per cent.

August 1980

South Australia plans deal to take control of SA Gas

BY JAMES FORTH IN SYDNEY

THE SOUTH AUSTRALIAN Government has introduced legislation to give it clear control of the South Australian Gas Company, which is a distributor of gas in the state. It is to enable the Government-owned State Government Insurance Commission (SGIC) to take up about 1 per cent of the capital of SA Gas for A\$140,000 (U.S.\$102,000), but to control more than 50 per cent.

This follows the failure of legislation introduced early last year to limit the size of shareholdings and voting rights in the company, to only 5 per cent. This was designed to prevent associates gaining control of the company.

There was heavy trading in the shares of SA Gas in June,

during which the price jumped from A\$1 to a peak of A\$9.80, with more than 20 per cent of the capital changing hands.

The market surge was related to publicity given to the fact that SA Gas and the SA Government jointly own an 18 per cent interest in the Cooper Basin natural gas and liquids fields, which supply Adelaide and Sydney with natural gas. The interest is held through South Australian Oil and Gas Corporation (SAOG), in which SA Gas holds 51 per cent of the capital but the Government has the voting rights.

Investors were attracted by the market valuations placed on other Cooper Basin participants. Based on the A\$700m market capitalisation of the major partner, Santos, the SA Gas stake

of 9 per cent of the Cooper Basin has an imputed value of A\$130m or A\$70 an SA Gas share. But SAOG is valued in the SA Gas accounts at only A\$25,500.

The Government proposes that SGIC should take up 20,000 SA Gas class B shares at yesterday's closing Adelaide price of A\$7, each carrying 100 votes. There are 1.95m issued A shares having one vote a share, which means that the SGIC would have slightly more than 50 per cent of the total voting power.

The Government said that as well as the share issue, three other changes to the Gas Company Act were proposed to ensure that the company's status as a utility was preserved. These were a strengthening of the provisions relating to the enforceability of the 5 per cent shareholding limitation; a stipulation that SA Gas should not sell or otherwise deal with the shares it holds in SAOG without the consent of the Treasurer; and that any changes to the company's objectives agreed on by shareholders should also require Ministerial approval.

The Government said the Bill was designed to ensure that the SAOG was not seen purely as a vehicle for the essential and costly exploration activity. It was essential that the management and expertise of the gas company be directed to ensuring that the State's needs for energy in the form of reticulated natural gas were met as efficiently and responsibly as possible.

Downturn in second half for Repco

By Our Sydney Correspondent

THE DOWNTURN in the Australian motor vehicle industry was largely responsible for Repco, the major automotive parts group, suffering a 23.6 per cent setback in profit for the year to June, from A\$23.4m to A\$17.9m (U.S.\$20.7m). The downturn accelerated in the second half after a marginal increase in the first. Earnings dropped by 45 per cent in the final period from A\$11.8m to A\$6.3m. Group turnover for the year rose by 7 per cent from A\$397m to A\$424m.

The final dividend is reduced from 5 cents a share to 4.5 cents, but the interim payout was raised from 4 cents to 4.5 cents, and the total for the year is thus held at 9 cents. Earnings per share fell from 19.2 cents to 14.5 cents.

The directors attributed the setback to a sharp decline in the production of new motor vehicles, which affected original equipment; hesitancy in the second-hand vehicle market, which hit the parts activities; heavy establishment expenses associated with the start up of a large new universal joints factory in Singapore; and industrial unrest, particularly in the second half.

The current year has started well, other than for original equipment, and profit for the full year will depend upon a continuation of improved after-market sales and an improvement in the original equipment market.

Marginal increases for Sime Darby subsidiaries

BY WONG SULONG IN KUALA LUMPUR

KEMPAS (Malaya) Berhad, the second highest plantation subsidiary of Sime Darby Berhad after Consolidated Plantations, lifted pre-tax profits by only 5.3 per cent to 33.7m ringgit (\$15.7m) for the year to June. Earnings during the second half were severely eroded by the sharp fall in palm oil prices and substantial increases in costs, particularly of labour and fertilisers. First-half profits were 12 per cent higher at 19m ringgit.

The group benefited from a lower tax charge this year, but this was offset by a lower surplus from extraordinary items so that net profits attributable to Kempas shareholders were 27.5m ringgit, or 5.3 per cent higher than for 1978-79.

The results do not include the recent sale of 29.4m shares of Highlands and Lowlands to Permodalan Nasional, for 74.97m ringgit, which produced a profit of 49.95m ringgit for Kempas. A final dividend of 18 cents is declared making 32 cents for the full year compared with 30 cents previously.

The results of two other Sime Darby rubber subsidiaries, Beota and Taiping Consolidated, have also been released and the results of the Sime Darby group, Consolidated Plantations, and Tractors Malaysia Berhad will be released today after the Sime board has met.

Beota Plantations raised pre-tax profits from 7.43m ringgit to 7.84m ringgit on sales up from 29.33m ringgit to 33.26m ringgit. Earnings per share rose from 29.9 cents to 36.8 cents and the dividend is held at 15 cents.

At Taiping Consolidated, sales were down from 3.15m ringgit to 2.73m ringgit, but pre-tax profits were marginally higher at 616,000 ringgit compared with 605,000 ringgit. With lower tax and extraordinary credits up from 34,000 ringgit to 191,000 ringgit, earnings show an increase from 17.1 cents to 23 cents and the dividend is again 15 cents.

The Kempas results indicate that Sime's plantations division will contribute less to the group's profit, which is nevertheless expected to show a good growth rate due to the strong performance of its Hong Kong and Singapore operations as well as tractors.

Kempas, which own 42,500 acres of oil palm and rubber, with a small area under cocoa, had a normal production year as far as palm oil was concerned, although rubber output was down due to replanting.

Its subsidiary, Kempas Edible Oil, which underwent an expansion late last year, increased its refining volume from 50,000 tonnes to 104,000 tonnes. However, its contribution to the group's earnings was not as significant as expected because of depressed prices of refined palm oil and a squeeze on margins arising from increased costs.

Central Sugars is controlled by Datuk Khoo Kay Peng. Like other companies under his control, Central Sugars shares have been actively traded and their price has risen from around 4 ringgit early in the year to over 10 ringgit at present.

DRAWING

At a drawing made on 13th August 1980, in the presence of a Notary Public in London, all outstanding bonds of:

RAUTARUUKKI OY 6 1/4% GUARANTEED STERLING BONDS 1981

totaling £201,000 were drawn for redemption as at 30th September 1980 in accordance with condition 7 of the terms and conditions of the Bonds.

Bonds presented for redemption shall be accompanied by interest coupon Numbers 33 and 34 otherwise an amount equivalent to the missing coupons will be withheld. The holder of a bond which has been drawn will receive a redemption price of £500.

Drawn bonds should be lodged between the hours of 11 a.m. and 2 p.m. on 30th September 1980 at the offices of:

Lazard Brothers & Co., Limited,
21, Moorfields, London EC2P 2HT

or of
Banque Internationale à Luxembourg S.A.
2, Boulevard Royal, Luxembourg.

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on January 1, 1980: US \$48.39

on August 25th, 1980: US \$59.90

Listed on the Amsterdam Stock Exchange

Information: Pierson, Helderling & Pierson N.V., Herengracht 214, Amsterdam.

VONTBEL EUROBOND INDICES

14.5.76-100%

PRICE INDEX	28.8.80	15.8.80	AVERAGE YIELD	28.8.80	15.8.80
OM Bonds	97.02	97.37	OM Bonds	8.212	8.143
HFL Bonds & Notes	94.62	94.59	HFL Bonds & Notes	8.731	8.648
U.S. \$ Str. Bonds	88.18	89.48	U.S. \$ Str. Bonds	11.620	11.383
Can. Dollar Bonds	81.06	82.47	Can. Dollar Bonds	11.389	11.611

U.S. \$50,000,000

GTE FINANCE N.V.

Floating Rate Notes Due 1987
Convertible into 10% Bonds Due 1992

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period commencing on August 28, 1980 the Notes will bear interest at the rate of 12 1/4% per annum. The interest payable on the relevant Interest Payment Date, February 27, 1981 against Coupon No. 1 will be U.S.\$319.30 and the Conversion Interest Amount will be U.S.\$1.39 per Note converted.

Interest Determination Agent
Orion Bank Limited

Robeco

Progress in uncertain times

- * Turbulent market conditions persuaded us to keep liquidity fairly high - 6.4% of total net assets at 30th June.
- * Percentage of investments in North America virtually unchanged 35%, but decline of the \$ caused us to terminate remaining forward exchange transactions.
- * Interests in Europe also amounted to some 35% of net

assets, but some major switches made - notably sales in Germany and the Netherlands offset by purchases in the U.K.

- * Increase in investment in the Far East - Japan maintained at about 9%, but Australian and Hong Kong interests grew.
- * Share value in Amsterdam up 9.6% in first six months, taking into account dividend paid in April.



Copies of the Interim Report and an explanatory booklet are available from the Company:

DEPT. 7830, P.O. BOX 973 ROTTERDAM HOLLAND

هناك من التحويل

These Debentures have been sold, this announcement appears as matter of record only.



Paribas Suisse (Bahamas) Limited

U.S. \$41,160,000

6 1/4 per cent. Debentures Due 1990

Convertible into Bearer Shares

or

Banque de Paris et des Pays-Bas (Suisse) S.A.

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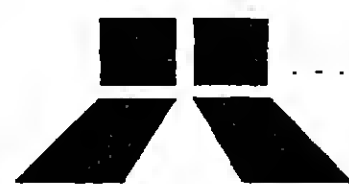
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NOMURA EUROPE N.V.

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Banque de l'Indochine et de l'Extrême Orient	Banque Internationale à Luxembourg S.A.	Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg S.A.	Banque de Paris et des Pays-Bas N.V.
Banque de Paris et des Pays-Bas Belgique S.A.	Banque Privée S.A.	Banque de l'Union Européenne	Banque Worms
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Citicorp International Group	Commerzbank Aktiengesellschaft	Creditanstalt-Bankverein	Credit Commercial de France
Copenhagen Handelsbank	Commerzbank Aktiengesellschaft	Credit du Nord	Dal-Ichi Kango Bank (Schweiz) AG
Credit Industriel et Commercial	Commerzbank Aktiengesellschaft	Credit Lyonnais	Deutsche Girozentrale-Deutsche Kommunalbank
Daiwa Europe N.V.	Den Danske Bank	Den norske Creditbank	Dresdner Bank Aktiengesellschaft
The Development Bank of Singapore Limited	Dillon, Read Overseas Corporation	Dillon, Read Overseas Corporation	Fuji International Finance Limited
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Warburg Paribas Becker Incorporated	Westdeutsche Landesbank Girozentrale	Wirtschafts- und Privatbank	'Dean Witter Reynolds International
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U.S.\$200,000,000

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Euro-Latinamerican Bank Limited
- EULABANK -

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Swiss Bank Corporation (Overseas) S.A.
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Banco do Estado de São Paulo S.A.
National Bank of Canada
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Banque Commerciale pour l'Europe du Nord (Eurobank)

AGENT BANK

Swiss Bank Corporation (Overseas) S.A., Panama

JULY 1980

APPOINTMENTS

Sir John Greenborough
joins Lloyds Bank

Sir John Hedley Greenborough has been appointed to the boards of LLOYDS BANK from September 1. He has also been appointed a regional director of the Greater London Regional Board of the Bank.

Sir John, who in May gave up the presidency of the Confederation of British Industry, is a former chief executive and deputy chairman of Shell UK. He is currently chairman of Newarthill (Sir Robert McAlpine Group), a director of The Bowater Corporation and chairman of the governing board of Ashridge Management College.

Mr. Frank C. Bumb has been appointed president of KENEDY COMPANY, taking over the activities of company founder Mr. Charles J. Kennedy.

who remains as chairman of the computer peripheral manufacturer. Previously, Mr. Bumb was president of the data tape division of Bell and Howell in Pasadena.

Mr. D. J. Venn has been appointed a director of LONDON BRICK COMPANY.

Mr. F. Vincent Prus has been elected president and chief executive officer of GOODYEAR AEROSPACE CORPORATION, a subsidiary of the Goodyear Tyre and Rubber Company. He succeeds Mr. Morris B. Jobe, who has retired.

Mr. Samir S. Abdul-Abad, a departmental manager of the IRAQ INSURANCE COMPANY, from the head office has been appointed manager of the company's contact office in London in succession to Mr. Kays M. Al-Mudarris.

MARKETING IMPROVEMENTS has formed a new company in Singapore, M1 Asia Pacific Pte., to service more effectively the growth economies of South East Asia and the needs of multinational clients. Mr. Christopher J. Barrows has been appointed director and general manager resident in Singapore. Mr. Alastair W. Duncan has been appointed regional manager, Asia Pacific and will transfer to Singapore from September 1.

Mr. Desmond C. Adeock has been appointed to the Board of KEELER HOLDINGS as financial director.

Mr. Jim Muscutt, formerly creative director of Seward Baker, has joined MARSTELLER as creative director and a member of the Board.

Mr. J. R. Netville has been appointed assistant director of finance, BRITISH GAS CORPORATION.

GRINDLAY BRANDT INSURANCE BROKERS, a subsidiary of Grindlays Bank, has formed a new division to handle the insurance of financial institutions. Mr. Jeffrey Fennell has been appointed a director of Grindlay Brandt Insurance Brokers and managing director of the financial institutions division. Mr. P. M. and Mr. S. Kelman have also been appointed directors of this new division.

Mr. Barry de Lohel has been appointed engineering director of systems house STAR COMPUTERS.

Mr. Peter N. Galliford has been appointed an associate director of WIGRAM POLAND REINSURANCE BROKERS.

Mr. Bryan J. Ellis and Mr. David M. Martin have been appointed to the Board of MAYNARDS from September 1. Mr. Ellis is currently managing director of Zodiae (Toys) group company. Mr. Martin is currently group secretary and a director of both the manufacturing and retailing divisions.

Mr. Michael D. Collias has been appointed group managing director of INTERMED (INTERNATIONAL MEDICAL SUPPLIES AND SERVICES), UK based international health-care group, a subsidiary of Thomas Tilling.

Mr. Peter Richardson has been appointed secretary-general of the CONFEDERATION OF BRITISH WOOL TEXTILES, Bradford following the resignation of the director, Mr. John Farr, who will not be replaced. Mr. Richardson will assume responsibility for the general administration and financial affairs of the CBWT while retaining his duties as commercial director.

RADIO FORTIS programme controller, Mr. Tom Steele, has been made a director of the company.

Mr. J. P. Crowley, executive chairman of Carpets International (Northern), has also been appointed chairman and managing director of CARPETS INTERNATIONAL, following the decision of Dr. E. J. McIver, of the directorate, to leave the company to pursue other interests. By mutual agreement, from September 1, Dr. McIver will relinquish his duties and resign his directorships, which include the managing directorship of Carpets International (Northern).

Mr. George Testa has been appointed to the Board of WILT-SHIRE to lead the consolidation and extension of its fee and management contracting services.

Mr. Gerald H. Eaton Hart has been appointed managing director of STAR ALUMINIUM COMPANY. He succeeds Mr. D. Fredjohn who continues as managing director of Alusuisse (UK), of which Star Aluminium is a wholly-owned subsidiary.

Mr. Arthur E. Knowles, pipelines engineer to BRITISH GAS since 1971, has been appointed pipelines adviser.

Mr. Ken Somerville, general manager of LASERAGE, has been elected to the Board.

Mr. W. B. "Bill" Murphy has been appointed to the Board of STAR OFFSHORE SERVICES.

Mr. David Cranston has been appointed director of finance for the NORTHUMBRIA WATER AUTHORITY and succeeds Mr. Leslie Phillips who retires at the end of August.

Mr. John B. Curcio has been elected president and chief operating officer of MACK TRUCKS INC., U.S. one of the Signal companies.

Mr. Rolf Beeler is, on April 1, 1981, to succeed Dr. K. Meier as a central manager of SWISS VOLKSBANK, Berne.

Companies and Markets

CURRENCIES, Money and GOLD

Pound rises

Sterling rose to a new five and a half year high in currency markets yesterday, with demand increased by the latest North Sea oil find. The pound's trade weighted index, which measures its performance against a basket of currencies, rose to 78.2 compared with 75.8 on Tuesday.

It stood at 78.1 at noon and 78.0 in the morning. Against the dollar it opened at \$2.8800-2.8810, which was to be the lowest level seen during the day. It reached \$2.8825-2.8835. During the afternoon it improved further, as the dollar eased and touched a high of \$2.8865-2.8875, before coming back to close at \$2.8805-2.8815, a rise of 1.05c. Market sources thought it likely that the pound's appreciation was held from time to time by Bank of England intervention.

The pound was also firm against European currencies, rising through the FFR 10 level against the French franc for the first time since April 1975. It closed at FFR 10.01 compared with FFR 9.9675 on Tuesday. Against the D-mark it hit a new four year high, finishing at DM 4.3075 against DM 4.29 previously.

The dollar was slightly weaker overall, although in early trading it had shown a firmer tendency on higher Euro-dollar and U.S. prime rates. Although finishing higher than Tuesday's levels, Euro-dollar rates finished off the top, and the dollar eased back during the afternoon. Against the D-mark it closed at DM1.8005 compared with DM 1.8020, and interest rates were firmer against the yen, rising to 2.1250 against the dollar in Tokyo yesterday, with the U.S. unit closing at 2.1250 compared with 2.1250 on Tuesday.

Against the Swiss franc, the dollar's trade weighted index was unchanged at 92.2. The D-MARK—One of the weaker members of the European Monetary System of late, and showing a tendency to ease against the dollar following the turnaround in U.S. interest rates. In pre-

vious months tight Bundesbank monetary policy and the sharp fall in U.S. interest rates led to a decline in the dollar against the German currency. The D-mark was generally mixed at yesterday's fixing in Frankfurt, rising against the U.S. dollar and Danish krone, but losing ground to sterling and the French franc. The pound rose to DM 4.30 from DM 4.2790 and the French franc was higher at DM 43.065 per FFR 100 compared with DM 43.02. On the other hand the Danish krone slipped to DM 32.35 from DM 32.75 per Dkr 100. Dollar trading was slightly muted ahead of U.S. trade figures due later in the day, and the dollar eased to DM 1.8011 from DM 1.8039.

BELGIAN FRANC—Remaining steady within the EMS despite continued easing of domestic interest rates, including two cuts in the central bank discount rate in the past two months. The Belgian franc was firmer against most currencies in Brussels yesterday, losing ground only to the D-mark and the Dutch guilder. The dollar was weaker at BFR 28.75 compared with BFR 28.91, and sterling slipped to BFR 68.925 from BFR 69.595. On the other hand the D-mark rose to BFR 16.03 from BFR 16.027 and the Dutch guilder was higher at BFR 14.7057 against BFR 14.705.

JAPANESE YEN—Steadier recently, reflecting the relatively successful fight against inflation which allowed a cut in the discount rate last week, and also helped by the sharp fall in U.S. interest rates earlier this year. The yen continued to improve against the dollar in Tokyo yesterday, with the U.S. unit closing at 2.1250 compared with 2.1250 on Tuesday. Against the Swiss franc, the dollar's trade weighted index was unchanged at 92.2.

OTHER CURRENCIES—The dollar recovered later in the day from its earlier level of 2.1250, which was itself a six-week low for the dollar. There was, however, no central bank intervention in U.S. interest rates. In pre-

THE POUND SPOT AND FORWARD

Aug. 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.8800-2.8815	2.8805-2.8815	1.48-1.38c pm	7.19	2.90-2.90 pm	4.77
Canada	2.8800-2.8815	2.8805-2.8815	1.75-1.65c pm	7.37	4.00-3.90 pm	5.71
Netherlands	4.66-4.71	4.68-4.69	3-2c pm	7.39	7.75-7.65 pm	5.75
Belgium	68.50-69.15	68.50-69.00	30-20c	4.36	74-64 pm	4.00
Denmark	13.22-13.33	13.31-13.32	7-20c dis	1.52	7.75-7.65 pm	5.75
France	1.720-1.730	1.710-1.720	3-4c dis	1.78	2.90-2.90 pm	4.77
W. Ger.	4.27-4.32	4.30-4.31	3-2c pm	7.39	7.75-7.65 pm	5.75
Portugal	119.00-119.70	119.00-119.70	40c pm	1.26	50-50c dis	0.08
Spain	173.00-174.00	173.00-174.00	15-15c dis	1.52	7.75-7.65 pm	5.75
Italy	205-207	205-207	20-20c dis	1.26	50-50c dis	0.08
Norway	11.55-11.65	11.55-11.65	7-5c pm	6.39	11-10c pm	3.74
Sweden	9.95-10.02	10.00-10.01	4-3c pm	5.09	11-10c pm	3.74
Japan	340-350	340-350	2-2c pm	1.26	50-50c dis	0.08
Austria	30.30-30.50	30.40-30.47	17-17c pm	6.31	42-37 pm	5.19
Switz.	3.34-3.39	3.37-3.38	3-2c pm	6.81	10-9c pm	10.06

Belgian rate is for convertible francs. Financial franc 69.90/100. Six-month forward dollar 4.48-4.49. 12-month 6.20-6.10c pm. France Aug. 26 9.95-9.97c (close).

THE DOLLAR SPOT AND FORWARD

Aug. 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.8800-2.8815	2.8805-2.8815	1.48-1.38c pm	7.19	2.90-2.90 pm	4.77
Canada	2.8800-2.8815	2.8805-2.8815	1.75-1.65c pm	7.37	4.00-3.90 pm	5.71
Netherlands	4.66-4.71	4.68-4.69	3-2c pm	7.39	7.75-7.65 pm	5.75
Belgium	68.50-69.15	68.50-69.00	30-20c	4.36	74-64 pm	4.00
Denmark	13.22-13.33	13.31-13.32	7-20c dis	1.52	7.75-7.65 pm	5.75
France	1.720-1.730	1.710-1.720	3-4c dis	1.78	2.90-2.90 pm	4.77
W. Ger.	4.27-4.32	4.30-4.31	3-2c pm	7.39	7.75-7.65 pm	5.75
Portugal	119.00-119.70	119.00-119.70	40c pm	1.26	50-50c dis	0.08
Spain	173.00-174.00	173.00-174.00	15-15c dis	1.52	7.75-7.65 pm	5.75
Italy	205-207	205-207	20-20c dis	1.26	50-50c dis	0.08
Norway	11.55-11.65	11.55-11.65	7-5c pm	6.39	11-10c pm	3.74
Sweden	9.95-10.02	10.00-10.01	4-3c pm	5.09	11-10c pm	3.74
Japan	340-350	340-350	2-2c pm	1.26	50-50c dis	0.08
Austria	30.30-30.50	30.40-30.47	17-17c pm	6.31	42-37 pm	5.19
Switz.	3.34-3.39	3.37-3.38	3-2c pm	6.81	10-9c pm	10.06

Belgian rate is for convertible francs. Financial franc 69.90/100. Six-month forward dollar 4.48-4.49. 12-month 6.20-6.10c pm. France Aug. 26 9.95-9.97c (close).

CURRENCY MOVEMENTS

Aug. 27	Bank of England Index	Morgan Guaranty Changes	Aug. 26	Bank of England Index	Morgan Guaranty Changes
Sterling	78.2	-0.2	Sterling	78.1	-0.2
U.S. dollar	1.8011	-0.0028	U.S. dollar	1.8039	-0.0028
Canada	1.8011	-0.0028	Canada	1.8039	-0.0028
Netherlands	4.68	-0.01	Netherlands	4.69	-0.01
Belgium	68.50	-0.05	Belgium	69.00	-0.05
Denmark	13.31	-0.01	Denmark	13.32	-0.01
France	1.71	-0.01	France	1.72	-0.01
W. Ger.	4.30	-0.01	W. Ger.	4.31	-0.01
Portugal	119.00	-0.01	Portugal	119.00	-0.01
Spain	173.00	-0.01	Spain	173.00	-0.01
Italy	205	-0.01	Italy	207	-0.01
Norway	11.55	-0.01	Norway	11.55	-0.01
Sweden	9.95	-0.01	Sweden	9.95	-0.01
Japan	340	-0.01	Japan	340	-0.01
Austria	30.30	-0.01	Austria	30.30	-0.01
Switz.	3.34	-0.01	Switz.	3.34	-0.01

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

Aug. 27	5c	10c	20c	50c	100c
Argentina Peso	4562-4572	1903-1910	Australia	50.75-50.85	50.75-50.85
Australia Dollar	0.562-0.565	0.562-0.565	Belgium	68.50-69.00	68.50-69.00
Brazil Cruzeiro	135-136	65.64-65.65	Denmark	13.31-13.32	13.31-13.32
Canada Dollar	1.8011	1.8011	France	1.71-1.72	1.71-1.72
Greek Drachma	161.70-161.80	42.70-42.80	Germany	4.30-4.31	4.30-4.31
Hong Kong Dollar	1.8011	1.8011	Italy	205-207	205-207
Indian Rupee	0.682-0.684	0.682-0.684	Japan	340-350	340-350
Israeli Sheqel	0.682-0.684	0.682-0.684	Netherlands	4.68-4.69	4.68-4.69
Japanese Yen	340-350	340-350	Norway	11.55-11.65	11.55-11.65
Libyan Dinar	0.682-0.684	0.682-0.684	Portugal	119.00-119.70	119.00-119.70
Luxembourg Franc	68.50-69.00	68.50-69.00	Sweden	9.95-10.02	9.95-10.02
Malaysian Ringgit	0.682-0.684	0.682-0.684	Switzerland	3.34-3.39	3.34-3.39
New Zealand Dollar	0.682-0.684	0.682-0.684	U.S. Dollar	1.8011	1.8011
Saudi Arab Riyal	0.682-0.684	0.682-0.684	U.S. Dollar	1.8011	1.8011
Singapore Dollar	0.682-0.684	0.682-0.684	U.S. Dollar	1.8011	1.8011
Taiwan Dollar	0.682-0.684	0.682-0.684	U.S. Dollar	1.8011	1.8011
U.A.E. Dirham	0.682-0.684	0.682-0.684	U.S. Dollar	1.8011	1.8011

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU Aug 27	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	38.7897	40.5823	+1.94	+0.66	+1.53
Dutch Guilder	40.5238	7.8545	+1.98	+0.66	+1.54
German O-Mark	2.462031	2.53154	+1.39	+0.70	+1.125
French Franc	5.94700	5.87742	+0.52	-0.77	-1.3857
Dutch Guilder	2.74352	2.75933	+0.57	-0.72	-1.512
Irish Punt	0.686201	0.67172	+0.53	-0.78	-1.688
Italian Lira	1157.79	1202.89	+3.90	+2.74	+4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Aug. 27	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc
Pound Sterling	1	2.391	4.308	525.5	
U.S. Dollar	0.418	1	1.802	219.8	
Deutsche Mark	0.232	0.555	1	122.0	
Japanese Yen 1,000	1.903	4.550	2.187	1000.	
French Franc 10	0.929	2.289	4.303	525.0	
Dutch Guilder	0.252	0.603	1.014	122.2	
Swiss Franc 10	0.213	0.510	0.92	112.0	
Italian Lira, 1,000	0.499	1.162	9.105	256.8	
Portuguese Escudo	0.581	0.864	1.556	199.9	
Spanish Peseta 100	1.450	3.468	6.247	762.1	

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 27)

5 months U.S. dollars	5 months U.S. dollars
bld 117/8	offer 12
bld 127/8	offer 12 1/8

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Aug. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
12 month term	17.17%	9.4-9.5%	9.4-11%	10.4-10.5%	4.4-4.5%	8.4-8.5%	11.1-11.2%	14.2-14.3%	9.4-10%	12.1-12.2%
7 days notice	17.17%	9.4-9.5%	9.4-11%	10.4-10.5%	4.4-4.5%	8.4-8.5%	11.1-11.2%	14.2-14.3%	9.4-10%	12.1-12.2%
Three months	17.17%	9.4-9.5%	9.4-11%	10.4-10.5%	4.4-4.5%	8.4-8.5%	11.1-11.2%	14.2-14.3%	9.4-10%	12.1-12.2%
Six months	17.17%	9.4-9.5%	9.4-11%	10.4-10.5%	4.4-4.5%	8.4-8.5%	11.1-11.2%	14.2-14.3%	9.4-10%	12.1-12.2%
One Year	17.17%	9.4-9.5%	9.4-11%	10.4-10.5%	4.4-4.5%	8.4-8.5%	11.1-11.2%	14.2-14.3%	9.4-10%	12.1-12.2%

Long-term Eurodollar rates 12-12 1/2, 12 1/2-13, 13-13 1/2, 13 1/2-14, 14-14 1/2, 14 1/2-15, 15-15 1/2, 15 1/2-16, 16-16 1/2, 16 1/2-17, 17-17 1/2, 17 1/2-18, 18-18 1/2, 18 1/2-19, 19-19 1/2, 19 1/2-20, 20-20 1/2, 20 1/2-21, 21-21 1/2, 21 1/2-22, 22-22 1/2, 22 1/2-23, 23-23 1/2, 23 1/2-24, 24-24 1/2, 24 1/2-25, 25-25 1/2, 25 1/2-26, 26-26 1/2, 26 1/2-27, 27-27 1/2, 27 1/2-28, 28-28 1/2, 28 1/2-29, 29-29 1/2, 29 1/2-30, 30-30 1/2, 30 1/2-31, 31-31 1/2, 31 1/2-32, 32-32 1/2, 32 1/2-33, 33-33 1/2, 33 1/2-34, 34-34 1/2, 34 1/2-35, 35-35 1/2, 35 1/2-36, 36-36 1/2, 36 1/2-37, 37-37 1/2, 37 1/2-38, 38-38 1/2, 38 1/2-39

Companies and Markets

NEW YORK

[illegible][illegible]

NEW YORK		
	Aug. 26	Aug. 25
Industrial	958.41	958.23
N'me B'nds	(ul)	88.51
Transport	328.35	324.81
Utilities	110.77	111.93
Trading Vol		
Oct '21	41,700	35,400
Day's high	964.59	low
Ind. div. yield %		
STANDARD AND POORS		
	Aug. 26	Aug. 25
Industrial	141.87	142.81
Composite	124.94	125.81
Ind. div. yield %		
Ind. P.E. Ratio		
Long Gov. Bonds Yields		
N.Y.S.E. ALL COMMON		
Aug. 26	Aug. 25	Aug. 24
71.86	72.03	72.47
72.47	72.07	72.07
MONTREAL		
	Industrial Combined	
TORONTO Composite		
Tuesday		
Stocks traded		
Sony	761.10	
Tegoro	847.20	
Gulf West	515.80	
GI AB, Pac	320.20	
	423.10	

Stock	Aug. 26	Aug. 25
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[illegible]

58a	Esaco	171a	171a	Ja
58b	Essex Road	101a	101a	Ja
59a	Eastern Gas & F.	236a	236a	Jo
59b	Eastern Kodak	55a	55a	Jo
59c	Edwards	35a	35a	Jo
59d	Ecklin Mfg.	15a	10a	Jo
59e	Edwards Jack	287a	30	Jo
59f	Edwards	387a	30	Jo
59g	Elect. Memories	71a	71a	Jo
59h	El Paso	33a	33a	K
59i	Elect. Paper Ind.	357a	357a	K
59j	Emery Air Pgt.	187a	17a	K
59k	Emhart	25a	25a	K
59l	Engelhard MC.	46a	46a	K
59m				K
59n				K
59o				K
59p				K
59q				K
59r				K
59s				K
59t				K
59u				K
59v				K
59w				K
59x				K
59y				K
59z				K
59aa				K
59ab				K
59ac				K
59ad				K
59ae				K
59af				K
59ag				K
59ah				K
59ai				K
59aj				K
59ak				K
59al				K
59am				K
59an				K
59ao				K
59ap				K
59aq				K
59ar				K
59as				K
59at				K
59au				K
59av				K
59aw				K
59ax				K
59ay				K
59az				K
59ba				K
59bb				K
59bc				K
59bd				K
59be				K
59bf				K
59bg				K
59bh				K
59bi				K
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59bm				K
59bn				K
59bo				K
59bp				K
59bq				K
59br				K
59bs				K
59bt				K
59bu				K
59bv				K
59bw				K
59bx				K
59by				K
59bz				K
59ca				K
59cb				K
59cc				K
59cd				K
59ce				K
59cf				K
59cg				K
59ch				K
59ci				K
59cj				K
59ck				K
59cl				K
59cm				K
59cn				K
59co				K
59cp				K
59cq				K
59cr				K
59cs				K
59ct				K
59cu				K
59cv				K
59cw				K
59cx				K
59cy				K
59cz				K
59da				K
59db				K
59dc				K
59dd				K
59de				K
59df				K
59dg				K
59dh				K
59di				K
59dj				K
59dk				K
59dl				K
59dm				K
59dn				K
59do				K
59dp				K
59dq				K
59dr				K
59ds				K
59dt				K
59du				K
59dv				K
59dw				K
59dx				K

DOW JONES

—INDEXES

Aug. 22	Aug. 21	Aug. 20	Aug. 19	1980		Since
				High	Low	High
958.19	955.85	945.81	958.85	986.72 (15.5)	783.78 (214)	1311.19
82.27	83.40	88.21	85.40	75.87 (52.6)	65.81 (19.6)	117.19
59.77	59.84	58.58	517.05	607.75 (25.8)	538.58 (27.5)	524.19
171.28	171.81	171.70	170.25	176.88 (16.7)	98.84 (27.8)	218.19
50,210	50,770	42,560	41,890	—	—	—

549.91

Aug. 23	Aug. 16	Aug. 8	Year e
3.59	5.53	5.84	

Aug. 22	Aug. 21	Aug. 20	Aug. 19	1980		Since
				High	Low	High
142.08	142.81	140.35	138.12	145.25 (22.8)	111.09 (17.5)	145.19
126.05	125.40	128.77	122.90	132.75 (22.8)	108.13 (15.3)	128.19
Aug. 20	Aug. 13	Aug. 5	Year e			
4.72	4.75	4.81				
8.55	8.23	8.19				
11.10	10.87	10.71	8.19			

1980				Since	
High	Low	Aug. 25	Aug. 25	High	Low
72.47	53.50 (27.5)	—	—	1,294	1,900
—	—	—	—	666	568
—	—	—	—	580	94
—	—	—	—	382	37
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Stock	Aug. 26	Aug. 27	Stock
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[illegible][illegible]

Rate		Aug. 27	Aug. 28
AUSTRALIA	Sydney All Trd., (11/55) 95	875.70	875.70
	Metal & Minrils. (11/55) 95	6514.10	6514.10
AUSTRIA	Credit Aktien (21/52)	67.41	67.41
BELGIUM	Belgian SE (31/12/55)	94.28	94.28
DENMARK	Copenhagen SE (1/1/73)	85.20	85.20
FRANCE	CAC General (28/12/51)	116.6	116.6
	Ind Tendance (30/12/73)	117.0	117.0
GERMANY	FAZ-Aktien (31/12/55)	933.57	933.57
	Commerzbank (Dec. 1952)	720.0	720.0
HOLLAND	ANP-CBS General (1/5/74)	87.5	87.5
	ANP-CBS Indusrl. (1970)	66.5	66.5
HONG KONG	Hang Seng Stock (51/1/64)	1218.55	1218.55
ITALY	Banca Comm. Ital (15/72)	125.67	125.67
JAPAN	Dow Average (15/5/45)	5020.58	5020.58
	Tokyo Hse SE (4/1/68)	478.43	478.43
NORWAY	Olo SE (11/72)	123.06	123.06
SINGAPORE	Straits Times (1955)	681.17	681.17
SOUTH AFRICA	Gold (1958)	101	101
	Industrial (1959)	101	101
SPAIN	Madrid SE (28/12/78)	106.82	106.82
SWEDEN	Swedish & P. (11/58)	857.31	857.31
SWITZERLAND	Swiss BankGpn. (31/12/59)	308.7	308.7
WORLD	Capital Intl. (1/1/76)	—	15

Basis values of all indices at end Poots—10; and Toronto—1.00 bonds, + 400 Industrials, + 500 U.S. 20 Transpore., C Closed, S U.S.

Aug.	Aug.	Aug.	Aug.
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[illegible]

13%	13%	Texas Oil & Gas	47%	65%
20%	17%	Texaco	17%	17%
20%	17%	Texasgas	17%	17%
59%	53%	Textron	38%	30%
		Thomco Electro	36%	37%
104%	154%	Thomco Electric	47%	47%
3%	3%	Tidewater	48%	48%
3%	3%	Time Ind.	8%	8%
3%	3%	Time Inc.	37%	55%
98%	88%	Times Mirror	48%	48%
30%	30%	Timken	60%	50%
		Tipperary	91%	92%
48%	48%	Total	25%	25%
50%	50%	Total Pac.	25%	25%
27%	27%	Trans	24%	23%
98%	98%	Trans Am.	18%	18%
98%	98%	Trans Union	24%	24%
10%	10%	Transworld	24%	24%
42%	42%	Transworld	12%	12%
42%	42%	Travelers	63%	40%
3%	3%	Tri Continental	21%	21%
46%	46%	Trilon Oil Cas.	25%	25%
42%	42%	20th Cent. Fox	10%	10%
30%	30%	U.A.	16%	16%
50%	48%	U.S. Steel	50%	50%
37%	40%	UMC Inds.	13%	13%
7%	7%	UMC Resources	16%	15%
94%	94%	Union Carbide	48%	48%
98%	98%	Union Carbide	47%	47%
37%	37%	Union Commerce	37%	37%
93%	73%	Union Oil Cal.	24%	33%
93%	73%	Union Pacific	0	6%
19%	19%	Univ. of Ill.	9%	9%
29%	29%	Utah Brands	14%	14%
18%	18%	Utah Energy Res.	21%	21%
97%	97%	US Air Corp.	22%	22%
97%	97%	US Filter	28%	28%
11%	11%	US Inds.	8%	8%
11%	11%	US Shoe	97%	98%
88%	88%	US Steel	30%	30%
4%	4%	US Surgical	37%	38%
88%	88%	US Tobacco	37%	38%
97%	97%	US Trust	28%	28%
71%	71%	US Technol.	81%	51%
71%	71%	Utah Telecomm.	13%	17%
13%	13%	Upland	50%	50%
71%	71%	VF	23%	23%
		Varian Assoc.	19%	19%
		Veratone	13%	13%
23%	23%	Virginia E.P.	11%	11%
27%	27%	Volcan Mat.	28%	28%
15%	15%	Walker	41%	41%
3%	3%	Wallace	25%	25%
17%	17%	Wall-Murray	41%	41%
17%	17%	Wall-Murray Stores	41%	50%
17%	17%	Wal-Mart	25%	25%
40%	41%	Werner Comm.	53%	52%
40%	41%	Werner-Lambert	20%	21%
31%	31%	Westing. Post	72%	70%
31%	31%	Westco	24%	24%
10%	10%	Wells Mgmt.	20%	16%
34%	34%	Wells Fargo	38%	38%
34%	34%	W. Point Paper	77%	77%
98%	98%	Western Airlines	77%	77%
98%	98%	West. Bancorp.	70%	70%
98%	98%	West. N.H. Am.	70%	70%
34%	34%	Westinghouse	26%	30%
31%	31%	Weyerhaeuser	30%	30%
88%	88%	Wheelabrator F.	49%	47%
16%	16%	Whiting Pits	19%	18%
25%	25%	Whitlock	20%	20%
25%	25%	White Motor	4%	4%
40%	40%	Whitaker	13%	18%
40%	40%	Williams Co.	35%	37%
40%	40%	Willamette Ind.	35%	35%
37%	37%	Win-Oxide Str.	24%	24%
10%	10%	Wing	24%	24%
79%	79%	Wise Elec Power	24%	24%
37%	37%	Woolworth	90%	87%
10%	10%	Worthington	13%	13%
0%	0%	Wyco	13%	12%
10%	10%	Xerox	100%	100%
7%	7%	Yarnell Frt Sys	17%	17%
43%	43%	Zapata	69%	69%
		Zenith Rad.	10%	10%

1980					
Aug. 85	Aug. 86	Aug. 87	High	Low	
78.54	878.57	878.41	878.54 (28/5)	780.95 (21/1)	
86.50	8370.16	8381.05	8688.95 (14/2)	4681.29 (28/5)	
87.48	87.44	87.25	88.40 (71/1)	85.39 (18/5)	
84.95	84.84	84.74	105.70 (11/1)	80.14 (37/5)	
86.95	85.78	85.65	87.29 (19/5)	74.76 (5/5)	
105.5	110.0	105.5	117.3 (22/2)	57.1 (5/7)	
92.95	731.78	732.3	538.98 (25/2)	512.75 (29/5)	
86.7	85.5	85.8	749.2 (26/2)	687.0 (27/5)	
86.7	85.4	85.8	85.0 (25/7)	74.4 (27/5)	
86.7	85.4	85.8	86.2 (11/1)	58.2 (29/5)	
86.95	(c)	1819.94	1220.55 (23/5)	738.9 (18/5)	
21.85	112.25	122.66	108.28 (20/5)	80.11 (21/1)	
86.06	8922.93	8888.18	6350.55 (27/5)	5475.88 (77/5)	
77.94	478.59	478.48	444.75 (25/5)	449.01 (11/5)	
84.69	134.78	125.45	178.70 (14/2)	110.72 (26/5)	
85.85	594.08	594.15	605.98 (25/5)	428.75 (5/1)	
85.7	810.5	—	870.0 (25/5)	845.0 (27/7)	
13.7	108.87	—	823.5 (21/1)	458.0 (11/1)	
86.71	108.82	106.82	108.82 (22/5)	85.78 (15/5)	
81.10	282.53	305.28	306.98 (8/2)	054.71 (17/1)	
19.5	910.9	812.3	517.6 (11/2)	275.5 (28/5)	
8.5	150.5	151.5	150.9 (21/5)	129.5 (27/5)	

in 100 except NYSE All Common—50; Standard 500; the last named based on 1975. † Excluding industrials plus 40 Utilities, 40 Financials and 40 Industrials available.

D 10

HOW

Prices moved downwards early and remained easier throughout the early session. At 1.30 pm the Dow Jones Industrial Average had shed 10.24 to reach 943.17, with declines leading advances by nose to four in active trading (see table, p. 28, am.). The NYSE All Commodities index shed 65¢ to \$71.21 by 1 pm.

Continuing worries about rising interest rates and inflation were suggested as reasons for the decline. In U.S. Labour Department reports, the per cent drop in U.S. productivity for the second quarter, much worse than the preceding quarters 0.1 per cent drop.

VSL, which on Tuesday agreed to merge with Fairchild Industries for \$380m, rose up \$1 to \$41½. Fairchild picked up \$1 to \$26½.

Onelda gained \$1½ at \$21½ after sharply higher second-quarter earnings.

It slipped \$1 to \$28½. It plans to offer \$23m in convertible debentures.

Among the many declining issues, Hewlett Packard shed \$1½ to \$76½, GF \$1 to \$55, Philip Morris \$1 to \$159, Daniel Ladner \$1½ to \$48½, Data Terminal Systems \$1½ to \$28, Schlumberger \$2½ to \$124, Capital Cities \$1½ to \$62½, and Raytheon \$1½ to \$87½.

THE AMERICAN SE Market Value index had shed 2.37 by 1 pm to 328.88, with declines ahead of advances 268 to 307 on volume of 4.4m shares.

Sam P. Wallace increased \$1½ to \$87, on reports of third quarter earnings.

Lake Shore Mines rose \$1½ to \$19½, while Commodore International shed \$1½ to \$65½.

[illegible]

Nihln. Telecom.	399 1/2	384 1/2
Northwestern	19 1/2	19 1/2
Omni.	2,80	2,90
Pacific Cooper.	4,60	4,25
Pacific Petrol.	21 1/4	21 1/4
Petrol.	54 1/4	54
Pleasant Riv.	26	24 1/2
Power Corp.	17 1/2	17 1/2
Quebec Strng.	014	016
Ranger Oil.	41 1/4	42 1/2
Reed Stearns A.	11	11
Rio Algom.	53 1/4	52 1/2
Royal Bank.	54 1/2	54 1/2
Royal Trust Co. A.	16	15 1/4
Securita Res.	13 1/2	13 1/2
Seagram.	54 1/2	54 1/2
Shell Can Div.	18 1/2	18 1/2
Steel Can A.	35 1/2	38
Tack B.	18 1/2	90 1/2
Texasco Canada.	66 1/2	27
Thomson News A.	14 1/2	14 1/2
Toronto Dom Bk.	31 1/4	31 1/4
Trans. Mtn Div.	24	24
Utd. Siles Mines.	51 1/2	51 1/2
Walker Hrm/C.H.	30 1/2	30 1/2
Warrior Res.	0,00	4,50
Westcoat Trans.	13 1/2	13 1/2
Winnipeg (Geo)	25 1/2	26 1/2

AUSTRIA		
Aug. 27	Price %	+ or -
Creditanstalt	236	
Landbank	255	
Perfumeos.	270	
Semperit	105	-
Styry Dalmer	24	-
Volcher Mag.	300	

BELGIUM/LUXEMBOURG		
Aug. 27	Price %	+ or -
AREED	1,420	-68
Band Int A Lux.	1,800	-
Bankers	1,800	-
Ciment CBR	654	+2
Cockerill	802	-15
EBES	1,615	-
Electrol.	5,950	-10
Fabrique Nat.	3,000	-20
G.Blnno	2,390	+10
G.BL/BRUX L.	685	-
G.BL	1,276	+6
Hoboken	2,500	-20
Intercom	1,476	+6
Radioclark	6,850	-50
Pan Nolding.	4,080	+50

GERMANY		
Aug. 27	Price %	+ or -
AGC-Telefon	21 1/2	
Allianz Ver.	21 1/2	
Bayer	21 1/2	
Bayer-Hydr	21 1/2	
Bayer-Ver	21 1/2	
BfW	21 1/2	
BHW	21 1/2	
Brown Ste	21 1/2	
Commerzbank	21 1/2	
Dalmer Bk	21 1/2	
Oesgum	21 1/2	
Demag	21 1/2	
Hortel	21 1/2	
Hapag-Li	21 1/2	
Hoechst	21 1/2	
Hosob	21 1/2	
Holzmann	21 1/2	
Karl	21 1/2	
Karstadt	21 1/2	
Kaufhof	21 1/2	
KHO	21 1/2	
Krupp	21 1/2	
Krupp	21 1/2	
Linde	21 1/2	
Luthanza	21 1/2	
Mannesm	21 1/2	
Meredes	21 1/2	
Motorges	21 1/2	
Muehler R	21 1/2	
Prussag	21 1/2	
Rhein West	21 1/2	
Rosenst	21 1/2	
Schering	21 1/2	
Siemens	21 1/2	
Thyssen	21 1/2	
Verta	21 1/2	
Verein V	21 1/2	
Verein-V	21 1/2	
Volkswag	21 1/2	

48

.24 off a

13.95.59, but Golds increased \$3.06 to 5,118.73. Volume was 3.89m shares (2.66m).

Gold Canada, the most active stock, yielded 3 to CS39, **Rex Valley Industries** 3 to CS23, **Alcan Aluminium** 3 to CS37 and **Noranda** 3 to CS28.

In **Montreal**, the market also moved down. Against the trend, **Bank** advanced 1.24 to 30.27, **GNF Oil Canada** lost 1 and **Shell Canada** 1.

Paris

Share prices closed generally firmer in moderate trading. Oil moved weaker, however, amid rumours that the French Government might increase taxation of all companies, and this encouraged some general profit-taking at midsession.

CIE Francaise des Petroles lost Ffr 7 to Ffr 226, **Elf-Aquitaine** lost Ffr 29 to Ffr 132, and **Esso SAF** Ffr 8 to Ffr 278.

All other sectors firmer except for **Investments and Real Estate**, which weakened, and **Chemicals**, which were mixed.

Among gains on the day were **Club Med**, up Ffr 13 to Ffr 414, and **Peugeot**, up Ffr 5 to Ffr 220.

Among foreign shares, **Gold Mines** were sharply firmer, and **Alcans** also strengthened, and **Germans and Dutch** were steady.

Germany

After a strong start, the tons passed and shares closed mixed.

Commerzbank managed a 10pt rise to DM 173.6 in otherwise power Bank shares, and in mixed **Chemicals**, **Bayer** ended the day down 10pt at DM 118.10 after reporting higher first-half

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HOLLAND		
Aug. 27		
	Price Fns.	+ or -
ACF Holding	73	
Ahold	73	
ACZO	23.30	
AON	300.90	
AMRO	65.00	
Braderø Cort.	161.60	
Bea Kalk	24.90	
Burgelman Van	97.60	
Caland Nijds	62.50	
Klaarwa	94.00	
De Groot	124.00	
Kuro Don Tat.	67.50	
Olst. Broeders	36.00	
Heintzen	50.00	
Hendriks	16.00	
Nunter Douglas	15.80	
Int-Musier	36.00	
Reijnders	97.60	
Nazareth	13.20	
Net Ned Cort.	116.50	
Ned Cred Bank	61.50	
Ned Mid Bank	25.90	
Nedlloyd	88.00	
Dea Grintha	124.00	
OCEM	8.70	
Ommaren (Van)	29.00	
Pakhoad	45.50	
Pallings	72.00	
Rijn-Scheids	48.00	
Robeco	124.60	
Robeco	61.50	
Robeco	17.50	
Rorento	114.50	
Stevens	21.50	
Stevensburg	214.50	
Tokyo Pao Hsg	104	
Van der Meer	12.00	
Viking Res.	168	
VNF	27.50	
Volker-Steyn	50.00	
West Urb Bank	256.00	
ITALY		
Aug. 27		
	Price Lire	
ANIC	9,875	
Eni Gas	20,000	
Banca Com'Ita.	50,700	
Bastogi Fin.	5,000	
Caripari	18,000	
Credito Varesino	9,000	
Fiat	7,700	
Invar	7,719	
Italcementi	96,800	
Montedison	102,750	
Olivero	2,150	
Pirelli	10,000	
Pirelli SpA	575	
Societa' Viscosa	5,890	
Stato Ital. Cred. Priv.	16,800	
Toro Asic	10,500	
du Prof.	10,500	

Bull.		55.7		150		NORWAY			
Bear		880		+81					
Heavy		556				Aug. 27		Price	
		78.1		-0.8				Kronor	
		108.9		+1					
Hoard		344		+8.0					
Ht.		580.00		+5					
		928		+5					
		408		-6					
		136		-9					
Julien		968.50		-22.5					
Cofol		100		+1.5					
Hof		809		+89					
Elect.		890.5							
Elet.		80		+30					
Brandt									
SWEDEN									
		Aug. 27		Price					
				Kronor					
Atla				188					
Atla-Laval				130					
Atla-Laval				117					
Atlas Copco				64					
Before				82					
Behlins				118					
Electrolux				82					
Ericson				84					
Esselte				80					
Fagersta				86.5					
Hof				104					
Mach-Sam				71					
Sandvik				191					
Skandia				249					
Stank Enkide				130					
Svenska				65.50					
St. Kopparsberg				78					
Svan Hadenfeldt				78					
Tandark				67					
Tideholm				66.90					
Volvo				64.3					
SWITZERLAND									
		Aug. 27		Price					
				Frs.					
Alusuisse				1,926					
Brown Boveri				1,708					
Cantex				1,464					
Cp (Prt Certs.)				860					
Credit Suisse				2,365					
Elektrobank				2,350					
Emsa				5,000					
Hof-Roche (Pt Cts)		59,850		8,900					
Hof-Roche 1/10				5,000					
Interford				5,000					
Lands & Gyr				1,470					
Nestle				3,445					
Oer-Suhrle				2,825					
Pirelli				273					
Sanfex (S)				860					
Sanfex (Pt Cts)				483					
Schindler (Pt Cts)				280					
Swissair				754					
Swiss Bank				377					
Swiss Reinsce				5,750					
Swiss Volksbank				1,775					
Tandark				3,395					
Winterthur				2,380					
Zurich Ins.				13,325					

1 2 3 4

1.30 p.m.

t DM 10m to steady the
t (DM11m). Mark Euro-
were easier.

Switzerland

recent market decline
and shares closed mixed
mooderis volume with
g focused on major shares.
ht improvements were
in Financials, where
ewant put on SwFr 30 to
2,550. Oerlikon, Bahrie
SwFr 2,825 and Sika
SwFr 30 to SwFr 1,400.
Insurances and major
tribis also closed steady or
rly higher. Gains outran
46 to 34.

Japan

Nikkei Dow Index closed
record 6,930.66, up 24.61.
a moderate day's trading of
shares (250m). Advances
a decline 342 to 287.
SE Index rose 0.58 to
ived buying in Specula-
Non-ferrous Metals and
ces-related issues led the
ce. Among issues gaining
up were Nippon Oil, up
t Y1440, Nissin Flour, up
t Y370, Taihei Kogyo, up
t Y284, Arabian Oil, up
t Y2,740, Japan Wool Tex-
p, up at Y350 and Dow
p, up Y52 at Y513.

Hong Kong

ngs closed generally weak
a day marked by alternat-
ing and profit-taking. The
Seng Index shed 750 from
ay's seven-year high to
at 12,183.5 in active turn-
over. Sellers ruled strong
t locally and abroad.

Plantations
while anti-
Tractor
Tios, like
under prof-
sod Plant-
and Banks
chaged.

Australia

Shares c-
taking after
a surge in
returning
day weaker
in overas
restrained
levels rose

The All-
4.84 to close
outpaced as
94 to 47 at
but Indust-
lesses 86.64
in the effec-
market. The
AS1.75 on
8c lower to
Many he-
lost ground
AS1.50
AS5.40 af-
ter, to
AS5.24
gold, silver
metal pros-
pects. De-
spite
ment of
Utah ended
AS5.40, on
load coal a
tissue. WH
quies. WH
shed 5c to

Johannesburg

Gold closed
the gold p-
trading and

[illegible]

	HONG KONG		
+ or -	Aug. 97	Price N.K. \$	+ or -
-0.58	Choung Kong.....	36.4	+
-10	Cosmo Pong.....	9.40	-0.29
-10	Cross Harbour.....	1.1	5.50
+1	East World News.....	130	
-	Nang Beng Bank Nk.....	80.00	
-	Nk Electric.....	17.70	+2.20
-	Nk Corporation Wk.....	19.70	+0.70
+ or -	Nk Land.....	17.70	+2.20
-	Nk Shanghai Bk.....	19.70	+0.70
-	Nk Telephone.....	18.20	-0.10
-	Nutokhon Wpa.....	20.70	+0.20
-	Jardine Math.....	18.20	+0.10
-5	Singapore East Wk.....	6.75	+0.25
-9	D'Nease Trust Bk.....	1.00	0.00
-	Bnk Props.....	1.00	+0.05
-	Whse'lk Ward A.....	0.60	
-0.58	Whse'lk Martie's.....	6.50	
	JAPAN		
+ or -	Aug. 97	Price Yen	+ or -
+1	Ajinomoto.....	684	-9
+1	Amada.....	843	+11
-	Anshi Glass.....	429	-1
-1	Bridgestone.....	380	-1
-	Canon.....	632	-1
-	Daikin.....	403	-9
-	Daiichi.....	720	-10
-1.58	OKBO.....	402	-5
+1.58	Dai Hippon Fkg.....	708	-1
-	Daiwa Denso.....	375	+19
-	Daiva Seiko.....	505	+3
-	Ebara.....	400	-30
-	Fuji Bank.....	418	-1
-	Fuji Film.....	597	-13
-	Fujitsu.....	541	-14
+ or -	Fukuda Fanus.....	50.00	
-	Green Cross.....	1210	60
+3	Hasegawa.....	505	-2
-	Hawata R East.....	594	-3
-	Himeida.....	607	-12
-	Hitchaki Kokki.....	309	-12
-	Honda.....	317	-77
+3	House Food.....	810	-6
-	Ishikawa.....	865	-6
+250	Itoh (C).....	442	-6
+25	Ito-Hem.....	598	-6
-25	Ito-Yokado.....	120	-10
-	JAL.....	420	-70
-5	JAL.....	2,370	+20
-	Jusco.....	598	+1
-	Kajima.....	508	+1
-	Kanagawa.....	419	-12
+5	Kashiyama.....	555	-6
-	Kikkoman.....	336	-6
-	Kirin.....	416	-30
-	Kobayashi.....	1,030	-30
+9	Komatatsu.....	377	-1
-	Komatatsu PHt.....	710	-3
-	Konishaku.....	487	-3
-	NOTES—Prices on this page		
+25	Individual exchanges and on the		
-	suspended, bid Ex dividend,		
+25	as Ex all.		

subsidiary also eased
since subsidiary
(Malaya), gained
Merquart declined
-making Properties
tions closed mixed
closed lower where
lia
closed despite on profits
a quiet day. Despite
from British investors
from the Bank Holl
and, there was little
and indicators
from the year-high
ended on Tuesday.
Ordinaries index lost
at 973.70. Declines
advances to Minings by
and in Oils by 31 to 9
material gains outweighed
the tone of the
under BHP shed 10c to
of ASX ended the day
heavyweight Miners also
shed 10c lower as
The Queens's strong per
while MIM slipped 6
after outlining new
er, copper and base
The Queens's announce
higher interim profits
the day 16c down as
news that the Queens
strike is likely to con
is also lost ground in
and Kitchener
ASX 64.
esburg
ended former following
price in fairly active
small London buy
and

Aug. 97	Price	+ or -
ba	2,470	0
ba	430	+30
beramic	385	-5
Conk	1,050	0
beni	400	-8
chil	686	0
Shufita	744	0
ba Co Works	896	+15
il Corp	691	-8
il Elec	200	-3
il to E	184	-5
Co Corp	406	-13
Shufita	428	-2
Insulators	469	+5
on Oak	714	-1
on Meat	414	+0
on Oil	169	+80
on Steel	631	-2
on Subst	1,440	0
Motor	3,330	+9
in Flour	370	+14
in Flour	405	+4
in Flour	2,088	-28
er	2,160	-30
er	1,160	-10
er Elec	380	+9
er Elec	570	+3
of Prefab	744	+4
er	985	-10
er	3,660	+40
er	450	+1
er	1,160	+2
er	218	0
er	2,700	+80
er	1,160	+10
er	1,070	+50
er	598	+8
er	598	+1
er	114	+1
er	598	+1
er	598	-2
er	223	-1
er	415	-3
er	780	-20
er	750	-96
er	870	-6
er	871	-1
er	650	-30

Seed Bhd.....	4.58	-0.04
Storage.....	3.60	0.50
Wheat.....	8.50	0.05
Far.....	2.96	-0.05
Super Bhd.....	2.45	+0.02
Banking.....	1.90	-0.05
Brow.....	6.50	
.....	18.30	
Darby.....	3.70	-0.15
Trade.....	4.00	-0.15
.....	4.00	
AFRICA		
Aug. 27	Price Rand	+ or -
.....	5.80	-0.05
Am. Cpn.	17.00	+0.05
Am. Gold.	11.90	+1.00
.....	6.50	-0.05
Investa.	54.25	+1.25
.....	11.50	
.....	11.50	
.....	5.00	
.....	84.5	
.....	10.50	
.....	5.00	
.....	7.30	-0.20
.....	6.75	-0.05
.....	18.50	
.....	3.75	-0.05
.....	7.50	-0.05
.....	7.50	+0.20
.....	8.75	-0.10
.....	11.60	-0.10
OG Sugar.	2.10	-0.50
.....	2.10	
.....	1.15	
Special Rand U.S. Dollarizing		
(Discount of 37%)		
CHILE		
Aug. 27	Price	+ or -
.....	1.75	-0.10
.....	1.75	+0.05
.....	1.59	
.....	3.31	+0.10
.....	3.31	+0.10
.....	1.42	-0.05
.....	1.42	-0.05
.....	5.00	+0.05
.....	10.90	+0.10
.....	10.90	
C. \$785.80, P. Vol. 186.6M.		
As quoted on the market		
Office: Rio de Janeiro S.E.		
Subscription Issues, R. \$2.00		
Subscription Issues, R. \$2.00		

East London

£12,000 + Car

FINANCIAL CONTROLLER

Our client is a small group of companies whose activities centre round the provision of specialist transport and warehousing services to the international entertainment industry. Rapidly growing, they now seek a Financial Controller who will handle the increasing complexity of their operation.

Aged early-30's upwards, the successful candidate is likely to be a qualified ACA or ACMA. Experience of costing systems and budgetary control in the road transport industry would be particularly helpful, as also would experience of multi-currency operation and the establishment of comprehensive management information systems.

The post carries the possibility of Board membership and assistance will be given with any necessary relocation expenses.

Letters of application together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Limited, Park House, 22-26 Great Smith Street, London SW1P 3BU, quoting reference A221.

MLH

Consulting Group of Companies

INTERNATIONAL TAX MANAGEMENT

OIL INDUSTRY

London

c£24,000 + car

Responsible for the tax matters of substantial oil exploration, production, mining and trading activities in Europe, the Manager will divide his or her time between compliance and creative tax planning. Advising on local tax situations as the company expands into new territories, the Manager will work closely with operations management. Promotion prospects are good and it is envisaged that the Manager will need to establish a formal tax department through further recruitment.

Our multi million turnover client explores for and produces oil and minerals worldwide. The company is a partner in major finds in the North Sea with further and continuing exploration activities in Europe and Africa. Aged 27-35, applicants should be qualified accountants with broad corporate taxation experience, ideally with substantial oil industry content. Please telephone or write to Stephen Blaney, B.Com., FCA quoting reference I/2017.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Finance Director

Consumer Durables

for a rapidly expanding group manufacturing, importing and distributing consumer and household merchandise throughout the UK direct to employees in their place of work. Turnover has doubled from some £2m in the last financial year, and is expected to double again to £8m by 1981 with further dramatic growth thereafter. This necessitates the appointment of a senior executive to join the young management team, and professionalise the entire function, (including a possible capital restructuring), with a view to a possible flotation.

Candidates, aged early 30's to mid-40's should have accountancy qualifications with mature experience of the function in a manufacturing/trading environment and strength in management accounting.

Starting remuneration c. £16,000, possibly higher. Usual additional benefits including relocation assistance. London based.

Please write with relevant career/salary details - in confidence - to S. W. J. Simpson ref. B.38353.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

ASSISTANT GENERAL MANAGER

FINANCE

The Trustee Savings Bank - South East with 229 branches throughout London and the Home Counties, invites applications from qualified Accountants, with considerable experience in financial management in the commercial or banking fields, for the position of Assistant General Manager - Finance, at the Head Office of the Bank.

The Assistant General Manager - Finance will be responsible to the General Manager for all financial accounting, management accounting, banking, taxation, and credit operations. He/she will be capable of interpreting all financial and management information in order to advise General Management as to possible directions for policy decisions. He/she will be supported by three Department Heads, namely Systems Development, Accounts, and Banking, together with some 60 staff.

The position calls for the successful applicant to be fully aware of and able to demonstrate skills of man management and motivation, the ability to build and

maintain an effective team and to foster good relationships with other divisions within the Bank. It is unlikely that the successful candidate will be under 40 years of age.

Commencing salary will be circa £19,000. Benefits include 5 weeks paid annual leave, BUPA membership, non-contributory pension scheme and mortgage assistance scheme.

Applications, marked private and confidential, giving personal information, including age, qualifications and full details of career, together with the names of two referees, one of whom should be the applicant's present employer (no approach will be made without prior permission) should be submitted to:

The General Manager,
Trustee Savings Bank - South East,
49/53 Surrey Row,
LONDON SE1 8BY
to arrive by not later than 12th September 1980.

TSB

TRUSTEE SAVINGS BANK
SOUTH-EAST

You have a science degree.
You are working in a high technology environment.

You are commercially aware.

You have no concept of failure.

This is the biggest challenge of your career.

In its chosen technological field our client is a world leader, working at the very frontier of discovery.

Its success has been founded on the genius of its technological brains and their commercial awareness. A group of men who rank with the best in the world.

Now, these men need heirs. In two or three years most of them will have left the company for natural retirement.

And therein lies your opportunity.

The opportunity is for you to join the company now; to work alongside extremely talented and knowledgeable men; to learn and develop; and in two or three years, inherit the throne.

There are seven vacancies, all extremely demanding.

WOULD YOU TRIUMPH OR TREMBLE?

Specialist technological disciplines are required in some. A marketing track record is required in one.

Experience in the petrochemical industries, scientific civil service or branches of the Armed Forces could be an advantage.

Commercial awareness is essential. Technological excellence is only valuable in so far as it makes sound commercial sense. We are aware that engineers don't always make good managers but we're looking for the best of both worlds.

You will be working on highly complex technological products; products which have to function in some of the most hostile environments imaginable. On projects valued in multi-million pounds.

It is unlikely that these extraordinary opportunities will occur again; at least not in the near future.

If you do not have exceptional ability and abounding confidence you should not apply.

If you have these qualities, we would be delighted to spell out the details and the obviously substantial rewards.

Please apply in writing to Arnold Robinson, Director, Royds Personnel Services, Bank House, Cherry Street, Birmingham. Please list separately any companies to which you would not want your application forwarded.

ROYDS
Personnel Services,
Confidential Reply.

Applications are welcome from both men and women



HOUSE OF COMMONS

(Department of the Clerk of the House)

SELECT COMMITTEE TEMPORARY ASSISTANTS

The Environment and the Social Services Select Committee each require a Temporary Assistant to provide specialist assistance to the Clerk of the Committee and to undertake research in connection with particular enquiries.

The Environment Committee requires an Assistant to cover housing questions. Applications are invited for this post from candidates with a good degree in Economics or Sociology, together with several years' practical experience as an economist in the housing sector. Applications from candidates with other good first degrees will be considered if they have done post-graduate work as economists in the housing sector.

The Social Services Committee is appointed to examine the expenditure, administration and policy of the D.H.S.S. and the work of the Assistant cover economic, social and administrative questions. Applications are invited for this post from candidates with a good degree (or equivalent professional qualifications relating to work in this field).

For both posts the preferred age range is 28-35 years and for a successful candidate within this range the salary is likely to be between £9,516 and £11,516, according to age, qualifications and experience. Applications from particularly well qualified candidates aged from 25-27 will also be considered. The salary for this age group is likely to be between £7,366 and £9,516. There is a non-contributory pension scheme with interchange arrangements with other Public Service pension schemes.

The appointments will commence as soon as possible after 1 November, 1980. For the Social Services Committee post the appointment will be for a period of 2-4 years. For the Environment Committee post the appointment will be for a period of one year in the first instance.

Strict political impartiality is required of all House of Commons staff and Temporary Assistants will be expected not to engage in political activities for the duration of their appointments.

For further details and application form write to the Establishments Office, House of Commons, London SW1A 0AA, or telephone 01-219 8888 between 10 am-4 pm. Closing date for return of application forms, 29 September, 1980.

A CHALLENGING OPPORTUNITY WITH THE LONDON BRANCH (70 EMPLOYEES) OF A NEW YORK BANK

CUSTOMER DEALER

Based in the Dealing Room, you will be required to maintain regular telephone contact with our corporate clients, quoting rates and developing business.

Ideally you should be in your mid-twenties with a minimum of three years' money market experience in a bank, money broker or corporation. An understanding of current economic and political events and their implications for our clients is essential for the successful candidate.

Salary around £9,000. Subsidised mortgage, pension, profit sharing, Luncheon Vouchers, four weeks' holiday and medical benefits are all part of this package.

Write Box A7281, Financial Times
10 Cannon Street, EC4P 4BY

A LEADING PITTSBURGH BANK REQUIRES A YOUNG BANKER

Preferably with AIB Part I or equivalent, to assist the internal auditor in London and Frankfurt branches. Salary is negotiable and the total benefits package is attractive.

Reply to Box A7283, Financial Times
10 Cannon Street, EC4P 4BY

Finance Director

Over £20,000 p.a. • London, W.

This appointment will report to the Chief Executive of the newly formed Hotels and Catering Division of the Grand Metropolitan Group. It will carry a place on the Division's Policy Committee.

Annual sales approach £500 millions from some 90 hotels at home and abroad, over 250 B&B Inns and Steakhouses and a diverse complex of catering businesses. The Division employs 40,000.

Supported by an established finance organisation within the Division's trading companies, the main tasks will be to advise top management upon all aspects of finance, to contribute to policy and specific programmes for development in the U.K.

and overseas and to exercise disciplined controls over the Division's assets and finances.

Candidates, male or female, must be Chartered Accountants and preferably graduates, ideally aged 40-47. They must have experience of international business transactions in Europe and/or North America and of contributing to the identification and pursuance of large-scale developments overseas. Experience in one of the leisure or service industries will be helpful.

Please write in confidence with brief details showing how these requirements are met, to H. C. Holmes, Bull Holmes (Management) Ltd., 45 Albemarle Street, London W1X 3FE.

Bull Holmes

PERSONNEL ADVISERS

Financial Director (Designate)

circa £15,000 + car

Dynamit Nobel (UK) Limited wish to recruit a Financial Director (Designate). The company is a wholly owned subsidiary of Dynamit Nobel AG of W. Germany - a company operating internationally and with world-wide sales of chemicals, explosives and plastics approaching £700m. The U.K. company has achieved significant growth over the last few years and with a planned turnover of £20m for this year, is poised to accelerate this growth into the 80's by further investment internally and where appropriate by acquisition. The location of the appointment is at Slough and there is a manufacturing facility at Northampton and an office in Johannesburg.

The Financial Director (Designate) will report to the Managing Director and be responsible for all financial and accounting matters, with special emphasis on the development of computerised procedures, the preparation of periodic accounts and ensuring that realistic budgets and profit plans are set.

The successful candidate will be a qualified accountant who can justify appointment to the Board within a period of 2 years. Age is not a critical factor although it is envisaged that the appointee will offer senior accounting experience including implementation and development of systems and the supervision of accounting staff.

The commencing salary will be negotiated at around £15,000 p.a. and a company car will be provided. The company would contribute to the cost of removal expenses if the successful candidate had to move home to take up the appointment.

Candidates, male or female, can make application by quoting reference MCS/267 and requesting a personal history form from Ashley S. Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Associates

Finance for Innovation

Finance Executive

Salary Scale £10,000 - £14,000

Finance for Innovation is no mere slogan at NRDC since we already hold nearly 300 "venture" and "development" capital investments in companies operating in exciting new areas of technology.

Our financing methods are also innovative and in order to expand our portfolio we need a qualified accountant with business flair and a strong desire to work in company finance.

This will involve the appraisal and monitoring of investment situations using sophisticated techniques; and the creation and negotiation of financial packages tailored to the needs of start-ups and growing companies.

High professional standards are essential and the candidate must be able to operate successfully with colleagues from other disciplines in a wide range of business situations.

Please write or telephone for an application form quoting ref. B.263, to:

The Personnel Manager,
National Research Development Corporation,
Kingsgate House,
66-74 Victoria Street,
London SW1E 6SL
Tel: 01-828 3400.

NRDC

Accountant/ Company Secretary

Mayfair

c.£14,000

Our client is a fast growing public company in the commercial property business with its head office in new premises in the heart of bustling Mayfair, London.

The company requires an enthusiastic qualified accountant aged around 30 who would enjoy a high level of involvement in the day to day management and development of the business. You will be directly responsible to the managing director for all accounting and secretarial duties, with active participation in the preparation of cash flow projections, financial appraisals and Stock Exchange documents. Some commercial experience is required. Career prospects are excellent for someone whose technical abilities and commercial acumen can meet the expanding needs of the company.

Please send concise personal, career and salary details, or apply for an application form, quoting Ref: AC 500 to:

W.S. Gilliland, Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.

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UNIVERSITY OF WARWICK

Visiting Professor/Reader in
Organisational Behaviour

The University proposes to make a visiting appointment at Professorial or Reader level within the School of Industrial and Business Studies for one year commencing January, 1981. This appointment has arisen because Professor A. M. Paton has been awarded a one year Personal Research Grant by the SERC. The person appointed would be expected to teach undergraduate and postgraduate courses in Organisational Behaviour. Applicants with interests in Organisation Design and Change will be particularly welcomed. This post may be suitable for appropriately qualified candidates from industry wishing to take a sabbatical. Informal enquiries may be made to Professor A. M. Paton (0203 24011, extn. 2047). Salary either on the Reader scale: £11,165-£13,980 p.a., or in the Professional range: min. £14,275 p.a. (both under review). Further details from the Academic Registrar, University of Warwick, Coventry CV4 7AL quoting Ref. No 3/3A/80/M. Closing date for receipt of applications is 30th September 1980.

systems and data processing manager

Our leading position in international banking is actively linked to a strong EDP support. In this context we offer a unique career opportunity in a key managerial position.

The candidate we are seeking

- ☐ gives evidence of top managerial capabilities,
- ☐ has a successful systems development record,
- ☐ demonstrates a strong technical background,
- ☐ is unlikely to be less than 35,
- ☐ English required, French a major plus.

will have planning and implementation responsibilities

- ☐ for several large systems projects,
- ☐ data processing operations,
- ☐ communications networks,
- ☐ office automation.

in a dynamic environment

- ☐ supervision of 80 people,
- ☐ two IBM 4341,
- ☐ VM/DOS/VSE, CICS, VSAM, PLI, FORTRAN...

Location is Brussels. The Bank offers a very competitive compensation package. Please send your resume in confidence to Alain L. GRISAY, Morgan Guaranty Trust, avenue des Arts 35, 1040 BRUSSELS.

The Morgan Bank

Commercial Manager

Essex

To £15,000 + car

Our clients, a U.K. office equipment group operating at an international level in a highly sophisticated market place, are seeking a Commercial Manager for one of their operating divisions. The successful candidate will act as the right-hand man to the Divisional Managing Director and will be responsible for the total accounting and administrative functions (both of which are computerised) and the management services, total staff 70. Applicants male/female, aged around 35, must be qualified accountants who have already gained exposure to the total business function, preferably in office equipment. Ref. 1171/FT. Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Walden Court, 35 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

Fund Management

The Fund Management Department of a progressive and expanding firm of stockbrokers in London is seeking an additional member. Candidates should be young and have an appropriate qualification and preferably some experience in Stock Exchange investment. The successful applicant will receive a period of training in the technical aspects of modern portfolio theory and performance measurement as an assistant to fully qualified members of the Department. There will be ample opportunity to take responsibility quickly and communicate directly with clients.

Candidates will be assessed both on their present capabilities and on their development potential. This is an excellent opportunity with good career prospects and fully competitive remuneration.

This appointment is open to both male and female candidates who should send adequate particulars initially in confidence, to J. Finnigan, Personnel Services Division of:-

Spicer and Pegg Management
Consultants, St. Mary Axe House,
56-60 St. Mary Axe,
London EC3A 8BJ.

Company Accountant

C. London

£10-12,000

An exciting opportunity exists in a commodity trading company in London. W1 for a young and ambitious Chartered Accountant. Reporting directly to the board the successful candidate will be responsible for setting up and operating a new accounting system that will involve working with a small professional team and liaising closely with our clients.

Ideally candidates aged between 25 and 35 will have experience of commodity accounts, computerised systems and client accounts. The person we are looking for will be self motivated and have the ability to grow with the company in this fast moving environment.

For the right candidate the salary will be negotiable between £10,000 and £12,000 p.a. with early review, plus bonus and a generous benefits package.

In the first instance write enclosing c.v. to:
The Chairman, Box A7282, Financial Times
10 Cannon Street, EC4P 4BY

CITY DEPOSIT BROKERS

require an experienced money broker to complement their existing sterling Inter-Bank and C.D. team. Salary negotiable and commensurate with experience.

Write to:

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The successful candidate will join an aggressive and experienced group which is responsible for the Bank's international shipping portfolio.

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Tel: (01) 588 5201 After hours: Esther (78) 62438

ZIMBABWE

Hard decisions for tobacco industry

BY OUR SALISBURY CORRESPONDENT

Zimbahwean side. The Romanians want to barter their tractors for Zimbahwean leaf and provide tractor mechanics and expertise as well, but Zimbabwe's conservative business and tobacco community is sceptical.

The Chinese went one stage further suggesting a barter deal whereby Zimbabwean lead would be exchanged for railway and transport machinery—not for Zimbabwe—but for neighbouring Mozambique, which would pass on the benefit to Zimbabwe in the form of free transit for

The signs are then, that the industry which hoped that the lifting of sanctions would secure a return to immediate prosperity is going to have to claw its way back to the top over a period of years.

Twenty years ago tobacco was comfortably Zimbabwe's largest export. Last year it fell behind gold and asbestos and this year

be very surprising indeed if tobacco ever regains its pre-UDI supremacy. In many respects of course, the economy is the healthier for its diversification but the loss of jobs in this labour intensive industry is untimely.

clip would be about the same

Administration

rejects all tin bids

WASHINGTON—The General Services Administration (GSA) announced that it has rejected all bids at its latest offering to sell up to 500 tonnes of stockpiled tin.

Bids were submitted yesterday by seven firms for 125 tonnes of tin at prices ranging from \$7.66 to \$7.11 a pound, GSA said. Administration officials pointed out that the highest bid once again was below the spot price for tin in New York.

On September 9, GSA will hold its next auction to sell up to 500 tonnes of tin. Since the bi-weekly offerings began on July 1, GSA has sold just five tonnes of tin.

PKETS
 380², 361, July 380², 360², Sept. 350²,
 350²,
 Pork Bellies — Feb. 58.20-58.40

(58.85), March 57.90-57.85 (58.75), May 58.65, July 58.95, Aug. 58.00.
Silver—Sept. 1620.0 (1614.0), Oct. 1634.0 (1628.0), Nov., Dec. 1670.0-1668.0, Feb. 1710.0, April 1750.0-1750.0, June 1790.0, Aug. 1830.0, Oct. 1870.0-1870.0, Feb., April, Nov., Dec. 1900.0.
2033.0, Aug. 2074.0, Oct. 2115.0. On June 21, April 21.
1 Soybeans—Sept. 765-764 $\frac{1}{2}$ (768 $\frac{1}{2}$).
Nov. 785-788 (789), Jan. 800-802, March 815-817, May 823, July 823, Aug. 812 $\frac{1}{2}$.
Sept. 798.
1 Soybean Meal—Sept. 217.5 (219.21).

Oct. 220.7	(222.1).	Dec. 226.0-228.7
Jan. 228.0	March 230.0	May 231.7
232.0	July 233.0-233.5	Aug. 231.5
Sept. 230.0-230.5		
Soyabean Oil — Sept. 25.75-25.80		
(25.78). Oct. 26.10-26.05 (26.07), Dec.		
26.50-26.60, Jan. 28.70-28.80, March		
27.05-27.25, May 27.40-27.50, July 27.60		
Aug. 27.60-27.70, Sept. 27.60-27.50.		
rWheat—Sept. 447-447½ (445½), Dec.		

470-5717 (4874), March 480⁰⁰-490. May
485-496. July 484, Sept. 500⁰⁰.
WINNIEPEG, August 27. 5Befoy-
Oct. 139.20 (128.80), Dec. 138.20
(138.00), March 138.30, May 138.70
July 137.80.
All cents per pound sea-warehouse
unless otherwise stated. * ¢ per Troy
ounce. † Cents per Troy ounce
‡ Cents per 56-lb bushel. ¶ Cents
per 60-lb bushel. // \$ per short ton
(2,000 lbs). \$* Cents per metric ton
55 ¢ per 1,000 sq. feet. † Cents per
dozen.

MARKETS

\$335.75, April \$338. May \$339.50
sellers. Argentine Aug. \$299. Sept.
\$301, Oct. \$310 sellers.
Soyameal—44 per cent protein U.S.
first \$252, Aug. \$280. Sept. \$257
Oct. \$272 sellers. \$271 loaded, Nov.

March \$280. 9rezil Pellate Aug. \$274
Sapt. \$278. Oct. \$285.50. Nov.-March
\$295.
PARIS, August 27.

LONDON Grain market opened higher on brisk buying. The

May 1010-1030, July 1035-1060, Sep.
1045-1085. Sales at call 2.
Sugar (FFR per 100 kilos) - Oct. 3125
3130, Nov. unquoted, Dec. 3192-3185
March 3305-3315, May 3290-3305, July
3180-3260, Aug. 3120-3190, Oct. 3080
3150. Sales at call 1.

DOW JONES				
Dow Jones	Aug. 26	Aug 25	Month ago	Year ago
Spot ..	445.19	440.14	437.76	403.21
F'tur s	470.89	465.15	445.51	418.60

Aug. 27	Aug. 26	11th mo. ago	Year ago
1737.8	1727.2	1700.9	1560.5

(Base: September 18, 1931=100)

0.07-0.08. Miller's Seedling 0.12-0.12.
Tydsman's Early Worcester 0.12-0.12.
Discovery 0.16-0.22. Bramleys 0.10-0.14.
Plums—Per 12 lb Quillin's Gage 1.20.
Sellas 1.80. Czar 0.80. Victoria 2.20.
Cabbages—Per bag 1.50-1.60. Cauli-
flowers—Per 12 1.50-1.80. Peas—Per

pound 0.06-0.07. Beetroots—Per bag
 1.00. Cucumbers—Trays 10/20 1.60-
 2.40. Tomatoes—Per 12 lb 2.00-2.40.
 Lettuce—Per 12 round 1.00-1.20. Coss
 1.40. Webbs 1.40. Carrots—New crop
 28 lb 1.20-1.50. Onions—Per bag 2.40-
 2.80. Celery—Per 20/30 2.50-2.80.
 Marrows—Box 12/15 1.00. Capsicums
 —Per pound 0.15. Runner Beans—Per

pound 0.12-0.18. Swedes—Per 28 lb
 Devon 1.00-1.20. Courgettes—Per pound
 0.12. Sprouts—Per pound 0.14.
 ★
 GRIMABY FISH—Supply good, de-
 mand good. Prices at ship's side
 (unprocessed) per stone: Short cod
 £5.00-£7.20, codlings £3.30-£5.00. Large

haddock £3.80-£4.30, medium £2.50-£3.50, small £1.20-£2.30. Large plaice £5.00-£5.70, medium £4.20-£5.50, big small £3.30-£4.80. Skinned dogfish (large) £7.50-£8.00, (medium) £4.80-£5.60. Lemon soles (large) £7.50-£8.00, (medium) £6.50. Rockfish £2.80-£3.00. Reds £2.20. Seals £2.00-£3.20.

Strong pound fails to help Gilt market depressed by Continental and domestic selling

Account Dealing Dates
Options
*First Declared Last Account
Dealings Dealings Day
Aug 11 Aug 28 Aug 29 Sept 8
Sept 1 Sept 12 Sept 12 Sept 22
Sept 15 Sept 25 Sept 26 Oct 6
Now times dealings may take
place from 9 on two business days

Continental and domestic selling put Government securities under pressure in London stock markets yesterday and falls of nearly a point were incurred by some longer-dated issues. European profit-taking on the heels of sterling's enthusiastic response to Keynes's latest North Sea oil discovery may have touched off overseas offerings in a Gilt market pondering about increased competition for investment funds following Switzerland's decision to lift its limitations on the inflow of foreign deposits. Interest on these can from next Monday be paid without restriction.

Most operators still considered the Gilt-edged market to be lacking in scope for current appreciation and were basically concerned about the UK money supply situation; the August banking statistics are due to be announced next Tuesday. Sales of Gilts thus met little resistance and two attempts to rally, one in the early morning and another in the late afternoon, were short-lived. The partly paid medium term stock, Treasury 11½ per cent 1991 A, slipped 1½ to 45½, or 4½ discount on its July 23 issue price, while Treasury 15½ per cent 1985 also gave up ½, at 108. Short-dated stocks fared a little better, ending with losses of around 4.

Bine Circle's cash call of £47m put the equity sectors on the defensive for the first hour or so of trading, but a reasonable rally got under way led by

selected Electricals and many leading shares returned to their overnight positions. Later, however, traded down and the industrial sectors turned uncertain in the wake of the Gilt market's easiness to leave falls in FT-quoted industrials outnumbering rises by five-to-two. The result was that the FT 30-share index, only 1.6 down at the 3 p.m. calculation, extended its fall to close 4.3 lower at 491.5. Conversely, ICI moved up to 362½ before closing a net 4 dearer at 360p ahead of second-quarter figures, due today.

More active conditions prevailed in Tradeable options with 1.52 cents being arranged. Imperial remained in demand, and attracted 300 contracts, while Lomax and Grand Metropolitan were dealt 187 and 149 times respectively.

Banks quietly dull
In a lethargic banking sector, Barclays and Midland shed a piece to 430p and 330p respectively. Merchant Banks, good of late on investment support, closed lower in places on technical influences. Hambros easing 6 to 552p and Hill Samuel softening 3 to 141p. Hongkong and Shanghai fell 4 for a two-day loss of 9 to 151½p, the disappointing half-year results.

Insurance again turned back from a firmer opening and closed with modest falls throughout. The interim results made no apparent impression on Pearl which held at 450p following the announcement before drifting off in line with other life issues and closing 4 cheaper on balance at 426p.

Demand for Breweries was sparse and movements were restricted to a penny either way. Bealhaven, good of late following the chairman's annual review, eased the turn to 32p.

Down to 360p in immediate reaction to the proposed £47m rights issue, Blue Circle rallied to close just 4 cheaper on balance at 360p on consideration of the sharp increase in interim profits and the forecast of an increased dividend; Amalgamated Shanks put on 4 to 107½p on an anticipated fresh offer for the company from Blue Circle if Monopolies Commission clearance is given. Also in the Building sector, Cement Roadstone rose 4 to 87p in response to the good half-yearly profits and confident statement. Elsewhere, Federated Land and Building jumped 6 to 198p ahead of 95p on speculative buying, while Marchwell, at 58p, recovered 4 of the previous day's fall of 13 that stemmed from the sharply lower interim profits. Higgs and Hill eased a couple of pence to 79p on thoughts that BICC's intimated bid for the company may materialise.

Recently dull on nervous selling in front of today's second-quarter results, ICI rallied 4 to 360p. Fisons lost 5 to 250p on lack of support, while small selling clipped a couple of pence from Allied Colloids, 108p. Stewart Plasties, on the other hand, improved 2 to 94p.

Mail-orders easier
Leading Stores trended to lower levels although actual selling was light. House of Fraser, interim next Tuesday, fell 4 to 143p, while GUS A lost a similar amount to 462p. UDS, 68p, and Debenhams, 72p, eased a couple of pence apiece, while Woolworths shed 1½ at 55½p. Fears that profits will diminish still further unsettled mail-orders with Empire closing 6 lower at 160p. Freemans 4 off at 124p and Gratians Warehouse 2 down at 60p. Elsewhere among secondary counters, Harris Queensway, a

firm market recently on recovery hopes, met profit-taking and dipped 6 to 160p. M. Goldman remained a buoyant market following Tuesday's announcement that Mr. Ian Wasserman holds 10 per cent of the equity and the shares reached 23p before settling for a net gain of 2 at 19p for a two-day gain of 51. Blue Circle was also traded for Gop Sportswear 3 better at 20p, and for Polly Peck 2 up at 105p.

Engineering leaders traded easier. Hawker reacting 4 to 222p and Vickers 3 to 130p. Among the scattered movements in secondary issues, Victor Products met profit-taking following the preliminary results and gave up 2 to 208p, while Thomas Robinson reacted 4 to 73p on the reduced interim earnings. Still reflecting the statement on current trading, ICI eased 2 more to 57p. Rotek ended without alteration at 53p, after 56p, following the half-yearly statement.

Food Retailers moved against the generally dull trend, reflecting the excellent preliminary results and proposed one-for-five scrip issue from Associated Dairies which touched 225p before closing a net 2 up at 220p. J. Sainsbury also closed 2 better at 478p, after 478p, while Tesco handed a penny to 60p and Kwik Save put on 4 to 127p. Elsewhere, Tate and Lyle, a good market, earlier in the Account on forecasts of a rise in the sugar price, eased 4 to 158p and British Sugar similarly 3 to 260p. Midland were marked 10 higher to 320p on the 280p per share cash bid from Security Exchange.

The better-than-expected interim profits and the chairman's confident remarks left Ladbroke 3 firmer at 189p, after 189p. Among other Hotels and Catering, West's revived with a gain of 10 to 285p in a thin market.

Hoover down afresh
Losses in the miscellaneous limited issues were usually confined to a few pence. J. J. Trust rose 1 to 195p and gains of 6 were

recorded in City and Commercial, 183p, and Triplevest, 375p. Textiles were featured by Mountleigh which announced more-than-doubled annual earnings and dividend and improved 6 to 89p. Elsewhere, the tone was easier with falls of around 3 common to Tern-Consult, 32p, and Radley Fashions, 30p, the latter for a two-day loss of 5.

Good gains in Golds
South African gold shares staged a strong rally and Tuesday's losses as the bullion price gained ground to close \$3 up at \$634.50 an ounce. Share prices got off to a good start as overnight American support followed through into London and prompted jobbers to mark quotations higher. Subsequent interest from most quarters lifted prices further and closing levels were easily the day's best. The Gold Mines Index registered an advance of 11.1 to 368.5, its highest since July 2, 1975.

Among the heavyweights, gains extended to 2½ in as Buffels, which reached a 1980 high of £18½, while West Driefontein rose a point to £28½, Klerk 2 to £14½, and Libanese 2 to a year's high of £11½. In the medium- and lower-priced issues, Blyvoor moved up 25 to 720p and Doornfontein 52 to 510p.

Oil trend lower
Oils held relatively steady until the late dealings when prices tended to ease a few pence. BP closed 4 cheaper at 348p and Shell 8 lower at 414p among the leaders. Elsewhere, Telford, 324p, and Ultramar, 334p, gave up a penny, while in the more speculative exploration issues, Aras stood out with a fall of 18 to 442p.

In Overseas Traders, Gill and Duffus continued to benefit from a favourable Press mention and closed 3 better for a two-day rise of 11 at 172p. Lomax gave up 3 to 92p.

Selective interest was shown in Cable issues. Derby Trust rose 3 to 105p and gains of 6 were

FINANCIAL TIMES STOCK INDICES

	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Year ago
Government Secs	68.25	68.72	68.97	69.18	69.13	75.84
Fixed Interest	70.10	70.18	70.48	70.56	70.54	74.55
Industrial	491.6	498.8	498.9	491.7	498.1	456.3
Gold Mines	386.6	376.5	380.5	394.0	372.0	351.0
Ord. Div. Yield	7.28	7.39	7.26	7.27	7.26	7.40
Earnings, Yld. 3 (Full)	17.48	17.28	17.14	17.18	17.30	17.41
P/E Ratio (net) (1)	6.94	7.00	7.09	7.04	6.96	7.25
Total Bargains	18,127	18,657	17,509	17,011	17,434	17,434
Equity turnover £m.	—	94.26	97.88	133.97	88.25	108.85
Equity bargains total	—	12,388	12,821	13,491	13,976	15,406

10 am 493.4, 11 am 493.4, Noon 494.4, 1 pm 494.4, 2 pm 494.2, 3 pm 494.2.
Latest index 01-246 8026.
*Nil = 6.47.
Basis 100 Govt. Secs. 16/40/25. Fixed Int. 1928. Industrial 01/17/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS S.E. ACTIVITY

	1980	Since Compil'n	Aug. 27	Aug. 28
	High	Low	High	Low
Govt Secs	72.84 (81/7)	53.85 (71/8)	127.4 (81/10)	49.18 (81/10)
Fixed Int.	74.08 (84/7)	64.70 (10/8)	150.4 (81/10)	50.55 (81/10)
Ind. Ord.	503.1 (84/7)	406.8 (81/10)	483.4 (81/10)	491.7 (81/10)
Gold Mines	396.5 (81/10)	365.5 (81/10)	443.3 (81/10)	372.0 (81/10)

NEW HIGHS AND LOWS FOR 1980

	High	Low	Since Compil'n
Govt Secs	72.84 (81/7)	53.85 (71/8)	127.4 (81/10)
Fixed Int.	74.08 (84/7)	64.70 (10/8)	150.4 (81/10)
Ind. Ord.	503.1 (84/7)	406.8 (81/10)	483.4 (81/10)
Gold Mines	396.5 (81/10)	365.5 (81/10)	443.3 (81/10)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	83	11	—
Corps. Bonds	1	14	50
Foreign Bonds	1	14	50
Financial and Prop.	77	106	314
Oil	4	27	25
Plantations	6	5	15
Others	79	21	78
Total	270	235	1,580

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, August 26

	Index	Change
Merchant Banks	+60.00	+25.38
Insurance (Life)	+59.88	+24.30
Electricals	+59.88	+24.30
Mining Finance	+53.82	+24.21
Electronics, Radio and TV	+45.96	+22.31
Shipping	+45.38	+22.24
Property	+41.85	+17.78
Investment Trusts	+40.92	+17.54
Gold Mines FT	+38.80	+18.97
Home Purchases	+35.12	+14.75
Insurance (Non-life)	+34.06	+14.52
Capital Goods Group	+31.33	+13.55
Building Materials	+29.24	+12.89
Chemicals, Textiles and Leather	+25.61	+10.82
Financial Group	+25.61	+10.82
Contracting and Construction	+25.61	+10.82
Discount Houses	+25.61	+10.82
Consumer Goods (Durable) Group	+25.61	+10.82
Insurance Brokers	+25.61	+10.82
Entertainment and Catering	+25.61	+10.82
Stores	+25.61	+10.82
Food Retailing	+25.61	+10.82

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

	Index	Change
1 CAPITAL GOODS (171)	284.61	-0.5
2 Building Materials (28)	258.41	-0.1
3 Contracting, Construction (27)	222.14	-0.1
4 Electricals (17)	840.83	-0.1
5 Engineering Contractors (11)	338.51	-0.1
6 Mechanical Engineering (72)	183.71	-0.7
7 Metals and Metal Forming (16)	164.78	-0.2

	Index	Change
11 CONSUMER GOODS (149)	282.24	-0.7
12 L. Electronics, Radio, TV (14)	371.16	-0.7
13 Household Goods (24)	90.33	-1.9
14 Motors and Distributors (21)	101.02	-0.3

	Index	Change
21 NON DURABLES (172)	241.98	-0.5
22 Breweries (14)	297.32	-0.1
23 Wines and Spirits (5)	234.50	-0.1
24 Entertainment, Catering (27)	364.55	-0.2
25 Food Manufacturers (11)	221.64	-0.2
26 Food Retailing (13)	374.48	+0.8
27 Newspapers, Publishing (13)	439.82	-0.1
28 Packaging and Paper (15)	129.48	-0.8
29 Stores (40)	238.85	-1.3
30 Textiles (23)	223.35	-0.3
31 Tobacco (3)	222.22	-0.4
32 Toys and Games (5)	26.40	-1.2

	Index	Change
41 OTHER GROUPS (99)	227.95	-0.4
42 Chemicals (16)	315.27	+0.6
43 Pharmaceutical Products (7)	238.59	-1.0
44 Office Equipment (6)	417.77	-0.7
45 Shipping (10)	613.37	-0.8
46 Miscellaneous (60)	282.15	-0.7

	Index	Change
49 INDUSTRIAL GROUP (491)	287.07	-0.5
50 Oils (9)	799.38	-1.2
51 OIL SHARE INDEX	299.30	-0.7
61 FINANCIAL GROUP (118)	238.50	-0.6
62 Banks (6)	237.97	-0.6
63 Discount Houses (10)	284.23	-0.2
64 Hire Purchase (5)	216.58	-0.3
65 Insurance (Life) (10)	247.68	-0.9
66 Insurance (Non-life) (9)	163.66	-0.5
67 Insurance Brokers (3)	335.57	-1.4
68 Merchant Banks (12)	143.06	-0.4
69 Property (145)	443.76	-0.7
70 Miscellaneous (109)	148.80	-0.3
71 Investment Trusts (109)	271.24	-0.3
72 Mining Finance (3)	246.23	-1.0
73 Overseas Traders (20)	434.86	-0.8
ALL SHARE INDEX (750)	287.72	-0.6

	Index	Change
1 Low Coupons	12.15	12.65
2 Medium Coupons	13.15	13.65
3 High Coupons	14.15	14.65
4 Irredeemables	15.15	15.65
5 All Stocks	16.15	16.65

	Index	Change
16 20-yr. Red. Deb. & Loans (15)	53.44	13.86
17 Investment Trust Prefs. (18)	51.15	13.18
18 Coml. and Indl. Prefs. (20)	67.38	18.31

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18 Coml. and Indl. Prefs. (20)	67.38	18.31

	Index	Change
16 20-yr. Red. Deb. & Loans (15)	53.44	13.86
17 Investment Trust Prefs. (18)	51.15	13.18
18 Coml. and Indl. Prefs. (20)	67.38	18.31

ACTIVE STOCKS

	Index	Change
1 GEC	25p	8
2 Ladbroke	10p	8
3 Plessey	50p	8
4 Racal Elec.	25p	8
5 ICI	7p	8
6 Associated Dairies	25p	8
7 Barclays Bank	£1	8
8 Blue Circle	£1	8
9 Broken Hill Prop.	£2	8
10 Charter Cons.	2p	8
11 Johnson, Matthey	£1	8
12 NatWest Bank	£1	8
13 Stores	50p	8
14 Distillers	50p	8
15 Thoma EMI	25p	8

	Index	Change
1 GEC	25p	8
2 Ladbroke	10p	8
3 Plessey	50p	8
4 Racal Elec.	25p	8
5 ICI	7p	8
6 Associated Dairies	25p	8
7 Barclays Bank	£1	8
8 Blue Circle	£1	8
9 Broken Hill Prop.	£2	8
10 Charter Cons.	2p	8
11 Johnson, Matthey	£1	8
12 NatWest Bank	£1	8
13 Stores	50p	8
14 Distillers	50p	8
15 Thoma EMI	25p	8

	Index	Change
1 GEC	25p	8
2 Ladbroke	10p	8
3 Plessey	50p	8
4 Racal Elec.	25p	8
5 ICI	7p	8
6 Associated Dairies	25p	8
7 Barclays Bank	£1	8
8 Blue Circle	£1	8
9 Broken Hill Prop.	£2	8
10 Charter Cons.	2p	8
11 Johnson, Matthey	£1	8
12 NatWest Bank	£1	8
13 Stores	50p	8
14 Distillers	50p	8
15 Thoma EMI	25p	8

	Index	Change
1 GEC	25p	8
2 Ladbroke	10p	8
3 Plessey	50p	8
4 Racal Elec.	25p	8
5 ICI	7p	8
6 Associated Dairies	25p	8
7 Barclays Bank	£1	8
8 Blue Circle	£1	8
9 Broken Hill Prop.	£2	8
10 Charter Cons.	2p	8
11 Johnson, Matthey	£1	8
12 NatWest Bank	£1	8
13 Stores	50p	8
14 Distillers	50p	8
15 Thoma EMI	25p	8

	Index	Change
1 GEC	25p	8
2 Ladbroke	10p	8
3 Plessey	50p	8
4 Racal Elec.	25p	8
5 ICI	7p	8
6 Associated Dairies	25p	8
7 Barclays Bank	£1	8
8 Blue Circle	£1	8
9 Broken Hill Prop.	£2	8
10 Charter Cons.	2p	8
11 Johnson, Matthey	£1	8
12 NatWest Bank	£1	8
13 Stores	50p	8
14 Distillers	50p	8
15 Thoma EMI	25p	8

76	3225.47	FNFC, Plessey, Charterhouse
77	303.43	Petroleum, Premier Oil, Coral
78	296.86	
44	307.36	
55	417.76	
35	126.95	
82	238.19	
38		

RECENT ISSUES

FOOD, GROCERIES—Cont

[illegible]

ELECTRICALS—Continued

[illegible]

38	B'house Dist. 11p	45	+1	3.2	3.1	10
39	Bristol Channel	4	--	60.36	0.8	12
164	Brit. Aluminium 50p	182nd	--	413.5	2.1	10

[illegible]

56	Crown House	62	---	528	2212
57	Corrections 78/94	£70	+32	034%	5
58		71		236	8

[illegible]

97	Haden, Carter	151	100	22	7
116	Hall, Eng. 50p	164	7.0	41	6
157	Hall, Matthew	272	7.1	32	3

131	77	Habermas 50p	131	---	7.0	41	61
165	137	Hall Exp. 50p	164	---	7.1	32	37
272	157	Hall Matthew	272	---	7.75	26	10.5
110	95	Hallite 50p	110	---	0.8	3	11.4
112	8	Hampson 5p	10 ²	---	8.0	34	52
246	158	Hawker Sid	222	-4	103.18	29	9.5
524	323	Hill & Smith	48	---	5.65	17	12.2
68	43	Hopkinsons 50p	66	-2	31.17	22	+
23	9	Howard Machv.	30	---			

4	Do. Derd. Sp.	52	11	11	11
43	I.M.I.	57	-2	14.4	25.11
421	12 H8 Sp	57		11.4	48.3

64	43	I.M.I.	57	-2	14.4	2.5	11.4
59	42	Jackson & H.B. Sp.	57		14.4	4.8	3.5
80	41	Jenks & Cantrell	65	-5	14.0	2.3	8.8
43	32	Johnson & Firth	34		3.98	1.2	16.7
66	40	James Group 10p.	57		4.22	3.4	7.2
84	70	Jones Shipman	83		13.53	3.7	6.1
111	76	Laird Group	110		3.4	5.4	4.4
66	25	Lake & Fittell	26	-2	18.7	2.6	3.1

27	Ley's Foundries	27	43	—	221
26	Linread	26	—	3.0	2.4	16.5
321	Linread (F.H.)	321	—	4.0	1.6	15.0

[illegible]

10	Mole (M) 20p	13	—	—	—
90	Mollus	104	79	27	10.1

119	10	Male (M) 20p.	13	-	7.9	2.7	10.8
12	10	Mollie	104	-	5.6	2.7	10.8
47	82	Wess Eng'd	95	-2	3.3	1.5	10.8
107	34	Meess	342	-	5.0	1.5	10.8
12	48	Wess Hdg	51	-	5.1	2.9	14.3
68	48	Newman Toms	51	-	3.7	1.4	8.7
52	35	Northen Eng	612	-	0.4	1.5	4.8
10	10	Norion (W. E.) Sp	12	-	9.5	2.7	10.1
146	10	Pegler-Hatt's res	134	-	6.1	2.4	13.5
76	51	Porter Chad. 20p.	65	-1	6.0	1.5	16.2
65	50	Pratt (F)	53	-	2.0	1.5	16.2

82	Raine Eng'g 10p	9	0.87	1.6	13.8
70	R.H.P.	113	-2	4.9	2.0

115	82	Raine Eng'g 10p	9	0.87	16.13	8
115	70	R.H.P.	113	-2	2.0	6.2
170	108	R. Peoples Stov.	157	-1	1.1	11.4
180	106	State-File Inds	78		5.25	
177	140	Stearns (E.B.)	43		5.4	
168	117	Richards Rm	32		11.0	
68	55	Richards Trnsn 20p	62		14.0	2.8
88	56	Renold E.I.	73	-2	8.0	1.0
88	56	Richards of Leic	37 1/2		4.3	0.8
45	61	Richards West 50p	41		3.5	2.0
85	30	Robinson (Thos)	73	-4	14.82	3.4

352	Serck	49	134	0.0	9.9
8	Shaw Francis 20p	0	132	—	23.5

76	32 ²	Shaw	49	134	0.0	9.9	0.0
20	8	Serv. Franch. 20 ²	0	131	3.8	25.5	4.2
278	6	Simon Emp ²	260	51	3.8	6.2	4.2
6	52	1000 Grog ²	63 ²	525	2.3	12.2	4.4
125	9 ²	Smith (Whit) 5 ²	11	69.57	2.2	11.0	4.4
42	32	Spencer 20 ²	11	12.54	3.3	9.9	4.4
29	21	Spencer Gears 5 ²	22	14.0	3.6	8.2	4.4
192	107	Spino-Sarco	192	14.3	2.6	3.2	4.4
53	37	Starbuck 20 ²	39	13.6	2.2	8.2	4.4
22	154	Staveley Inds. FL	218	13.0	2.3	8.5	4.4

21	Face 10p	25	12.0	2.5	11.4
46 1/2	Total amt	47 1/2	12.08	3.5	6.9

67	21	Tace 10p	25	12.0	25.114
71	46	Tecatesint	47.75	52.08	3.3
72	38	Texas, A.M. 10p	36	3.0	6.3
75	15	Thysand, F.M. 5p	17.50	1.31	1.10
79	25	Triples, F.M. 5p	17.50	1.31	1.10
82	45	Triplex F.O.R.	45	5.44	1.7173
86	240	Tux Invests, E.I.	250	25.5	1.515
88	18	Tuxworth	87	33.75	5.6
89	21	Tuxworth (W.A.) 10p	21	1.78	2.5124
92	142	Utd. Eng'g 10p	139	3.65	2.4
93	20	Utd. Spring 10p	26	1.94	2.8107
94	20	Utd. Spring 10p	26	1.94	2.8107

118	Vosper.....	118	-2	4.6	2.1	5.6
70	Wadkin 50p.....	80	6.47	0.7	11.6
150	Wadkin [unintelligible]	142nd		10.0	±	8.8

[illegible]

227	Walsby Hughes	297	10.42	52	60
17	W'well Fdy. 10p	10	15	50	119

292	227	Wesley Hughes	247		110.42	52	6.0	4
293	17	W. Webb Fay, 10p	10		1.5	5.0	11.5	2
48	34	Wood (S.W.) 2p	42		45.2	17	7	7
202	12	Wrightson 12ap	10		68.8	3.7	15.15	7
240	230	Yarrow 50p	240	+5	7.5	23	4.5	12

FOOD, GROCERIES, ETC.

104	80	Alpine Soft D 10p	95	---	7.7	1.5	17.5	2
104	74	Alpine Soft D 10p	45	---				

60	Ass. Dairies	220	+2	4.25	28
50	Ass. Fisheries	74	-2	1.0	19

22	160	Ass. Dairies	720	+2	4.25	1.8
28	50	Ass. Fisheries	220	-2	1.25	2.18
80	92	Awana Group	1750		5.0	2.0
98	52	Banks (Shady C.)	87		5.0	7.4
99	52	Banks (Shady C.)	87		5.0	7.4
42	109	Barber & O. 200	143		4.25	4.25
49	109	Barber & O. 200	143		4.25	4.25
52	37	Barron Milling	42		67.63	17.6
53	51	Bassetti (Gen.)	45		1.64	5.3
82	34	Batleys York 10p	44		2.86	9.3
86	55	Bejam 10p	86		12.17	3.9
90	150	Bishop's Stores	150		4.0	3.4

1. *Journal of the American Medical Association*, 1997; 277: 1033-1037.

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INDUSTRIALS (Miscel.)

INDUSTRIALS (MISC)		MISC	
175	I.A.H.	164	8.5
170	AMC KSO	161	8.5
165	Amalgamated 10p	159	8.5
160	Argenta Bnc. Ltd.	158	8.5
155	Albany Ltd.	157	8.5
150	Alco. & General	156	8.5
145	Alcon	155	8.5
140	Alfrax Inds. 20p	154	8.5
135	Alphine Hldgs. 30p	153	8.5
130	Alphine Inds. 20p	152	8.5
125	Alphine Inds. 20p	151	8.5
120	Amber Inds. Ltd.	150	8.5
115	Ang. Ant. Asphalt	149	8.5
110	Anglo-Am. 20p	148	8.5
105	Anglo-Am. 20p	147	8.5
100	Anglo-Am. 20p	146	8.5
95	Anglo-Am. 20p	145	8.5
90	Anglo-Am. 20p	144	8.5
85	Anglo-Am. 20p	143	8.5
80	Anglo-Am. 20p	142	8.5
75	Anglo-Am. 20p	141	8.5
70	Anglo-Am. 20p	140	8.5
65	Anglo-Am. 20p	139	8.5
60	Anglo-Am. 20p	138	8.5
55	Anglo-Am. 20p	137	8.5
50	Anglo-Am. 20p	136	8.5
45	Anglo-Am. 20p	135	8.5
40	Anglo-Am. 20p	134	8.5
35	Anglo-Am. 20p	133	8.5
30	Anglo-Am. 20p	132	8.5
25	Anglo-Am. 20p	131	8.5
20	Anglo-Am. 20p	130	8.5
15	Anglo-Am. 20p	129	8.5
10	Anglo-Am. 20p	128	8.5
5	Anglo-Am. 20p	127	8.5
0	Anglo-Am. 20p	126	8.5

46	William (J.) 10p.	52	4.80	2.91
22	Black Arrow 50p.	27nd	2.5	3.91
78	Black (R) 50p.	25nd	1.25	8

[illegible]

85	Brit. Linc 1. 12-21	100	21	32	32
212	Brit. Steel Const.	212#	—	—	—
46	Brit. Syphon 20p.	64	40	23	8

[illegible]

20 ₂	Cent. Sheerwd 5p	28 ₂	-1/2	1.65	3.0	8.3
116	Centreway 50p.	120ul	-1	10.0	•	11.9

130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805																																																																																																																																																																																																			

242	Dalgety & Co	276	F220	1.9713
922	Darling & McManis	103	HR57	3.9719

[illegible]

79	Eastern Prod. 50p.	89	-1	4.62	27	7.4
170	Elbar Inds. 50p.	170		18.0	33	8.4

[illegible]

68	Ferguson Ind.	77	55	32	10.2
73	Findlay Hardware	23	10	19	6.2

[illegible]

23	Gosforth 10p	27	-1	2.0	2.0
43	Gramplan Hots	50	-1	2.0	2.0

131	Grampan Mfgs.	50	1	1.1129	100
90	Granata 'A'	1980	4.8	3.8	20
130	Grimshear 20p	57	3.0	4.1	75
10	Grimshear 14p	172	15.25	9.9	4.8
10	Grovehill Co. 5p	15	0.5	1.7	1.7
10	Waters Sheep 11p	10		4.4	2.5
56	Hakana 11p	96	1.35	4.4	2.5

هكذا من العجايب

